

The **NATIONAL UNDERWRITER**



**PROTECT
WHAT YOU
HAVE**

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The educational work of Fire Prevention Week is highly laudable, yet despite it, fire still persists. This undeniable truth is the basis of the admonition contained in this month's North America national advertising: be careful . . . but back up your care with adequate fire insurance.

See our advertisement in the October issue of Fortune, October 3rd issue of The Saturday Evening Post and October 5th issue of Time.

**INSURANCE COMPANY OF
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INDEMNITY INSURANCE CO. of NORTH AMERICA

write practically every form of insurance, except life

Founded 1792

Capital \$12,000,000

Surplus to Policyholders over \$70,000,000

THURSDAY, OCTOBER 8, 1936

PUBLIC ENEMY

No 1

Fire

COMMON ENEMIES TO GUARD AGAINST

- | | |
|-------------|-----------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR | 10 MARINE |
| ACCIDENT | DISASTER |
| 3 WINDSTORM | 11 RAILROAD |
| & TORNADO | WRECK |
| 4 PERSONAL | 12 FALLING |
| ACCIDENT | AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE | 14 RIOT & CIVIL |
| CLAIMS | COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |



FIRE, controlled, is an ally of infinite power—man's indispensable servant, but within its fiery heart lurks a **DEMON** of destruction.
The cheerful **FIRE** that gently warms the home will **DEVOUR** without mercy if, even for a moment, our safeguards are relaxed.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark New Jersey

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

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and Comprehensive Auto Policies
are the only protection against
the reckless driver.

Are your clients covered?

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

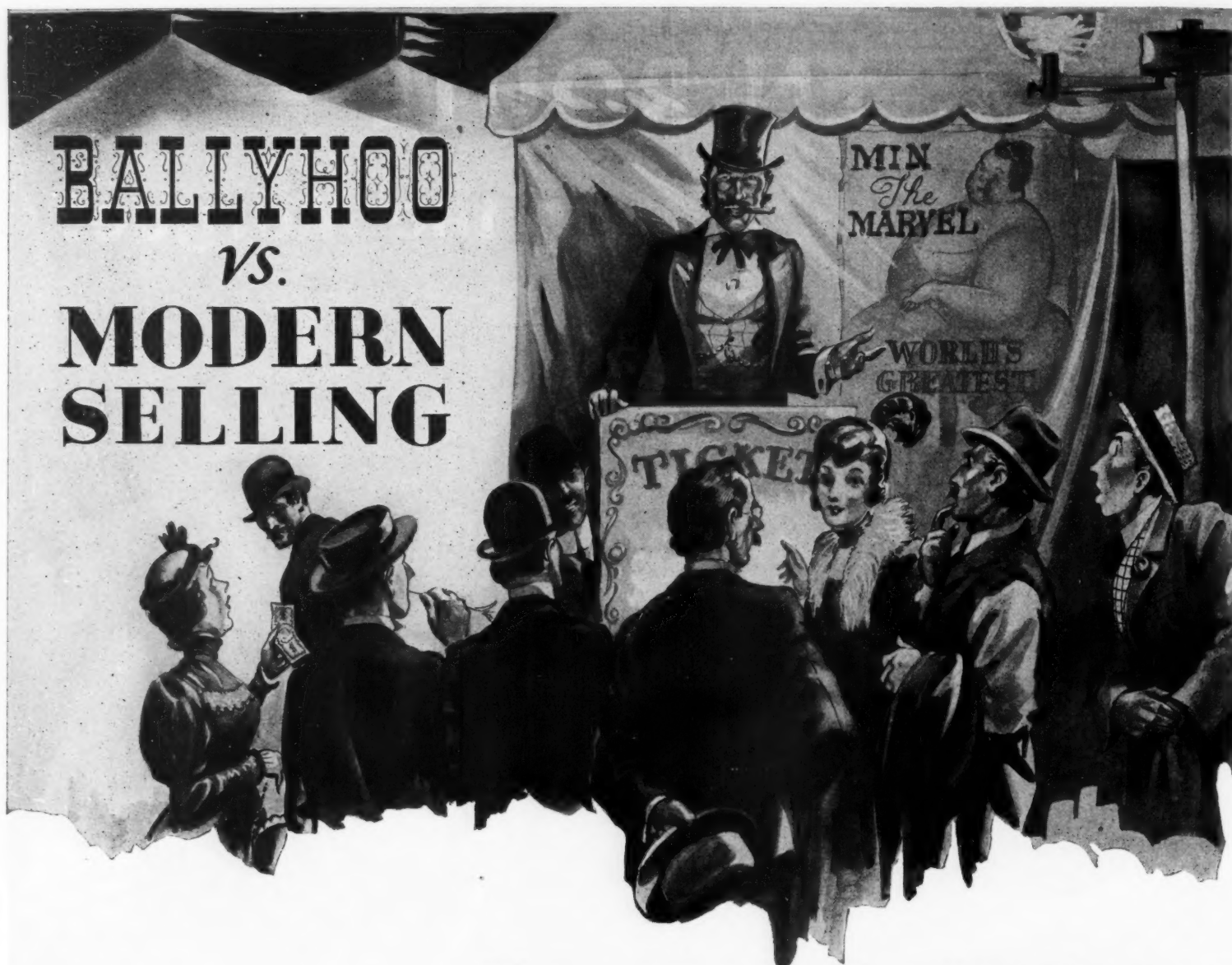
CHICAGO

SAN FRANCISCO

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MONTREAL



"Ten pennies, a thin dime, the tenth part of a dollar....." In P. T. Barnum's day thus spieled the oldtime barker ballyhooing his audience into buying.

But Modern Selling calls for something different—knowledge, experience, strategy, technique—qualities found in the personalized service of our Advertising Department, used so profitably by our agents and always available to them for the solution of their advertising, publicity and business-building problems.



The Pennsylvania
Fire Insurance Company

150 WILLIAM STREET, NEW YORK

Pittsburgh Rally's Notable Features

Two Issues of Moment Were
Injected Into the Pro-
ceedings

WEEK NOW TOO CROWDED

New Administration Enters Its Year
With the Machinery Running
in Excellent Order

By C. M. CARTWRIGHT

The 40th anniversary meeting of the National Association of Insurance Agents at Pittsburgh was highly successful although it took a different turn from other gatherings in the past. Inasmuch as this anniversary was celebrated, the presidents of the various company organizations, some nine in all, were called upon to bring greetings. This was a very interesting and helpful part of the program. The inference that one gathered was that the relations between companies and agents have improved in 40 years even though the millennium is far from being present. The company organization men all paid their high respects to the producers and pledged their fealty to the agency system.

R. P. Barbour's Views

R. P. Barbour, United States manager of the Northern Assurance, who appeared for the Eastern Underwriters Association, said that very often the statement was made that the company organizations in considering problems did not try to view the selling side of the business. That, he said, is a great mistake. He does not believe that there has been any major undertaking or any proposal of importance where the agency side was not very fully explored. He explained that there is a domain which rightfully belongs to the companies and, on the other hand, there is one that rightfully belongs to the agents. In this zone each class has its sovereign rights. They should not be impinged on or violated by the other. The companies have no right to dictate to agents as to their government so far as their own territory is concerned and vice versa, the agents should not dictate to the companies so far as the sovereign rights of the latter are concerned. He pointed out, however, that there is a wide middle ground where interests are very mutual and in that territory there should be harmonious cooperation.

Paul Haid's Observations

Paul Haid, president of the Insurance Executives Association, in his talk gave it a practical touch. He said that he and his organization or its conference committee had met from time to time with the conference committee of the agents. There are many points of dif-

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Social Security Compliance Procedure Now Developed

DETAILS OF ADMINISTRATION

E. J. McCormack of Federal Board
Addresses Life Office Manage-
ment Meeting

The administrative procedure developed for operating the social security act is proving to be not nearly as complicated or costly as was so widely predicted, it was stated by E. J. McCormack of the Social Security Board, Washington, D. C., who outlined latest developments in compliance procedure before the annual conference of the Life Office Management Association at Washington, D. C. Mr. McCormack is special assistant to the director of the Bureau of Federal Old Age Benefits.

Mr. McCormack was in the life insurance business for many years before becoming connected with the Social Security Board.

System Is Efficient

Despite the fact that the principal objections to the present social security act were that its administration would be unwieldy, complicated and expensive, Mr. McCormack stated that the system as now worked out by the Social Security Board is efficient and economical. He expressed appreciation for the aid given by life companies in working out details of the plan, saying that many of the methods employed by them in maintaining records for their vast field forces and policyholders have been adopted in principle by the board. Conferences were held with many life insurance executives and exhaustive study was made for the development of the board's field organization and assignment of account numbers. Mr. McCormack estimated that the board will have to maintain wage records of about 25,000,000 persons eligible under the act. If the board, itself, were to maintain contact with those eligible and properly service their accounts, it would mean approximately 15,000 of temporary personnel and thousands of branch offices with hastily recruited, hastily trained and more or less temporary help.

Prospect Cards Used

However, he stated, arrangements have just been made with the U. S. Postoffice Department, which has placed the necessary facilities at the disposal of the board. Service will be extended through 1071 first class postoffices, 44,525 second, third and fourth class postoffices and to some degree through classified branches and contract stations totalling 6,389. This will provide a national, closely unified organization and will prevent duplication of effort, unnecessary increase in personnel, space and expense and the greatest efficiency will be achieved through well trained government employees.

Similar to the way in which agents maintain prospect files, Mr. McCormack stated a simple, concise, "prospect" card has been devised so that the Bureau of Federal Old Age Benefits may set up

(CONTINUED ON PAGE 12)

Weigh Idea of Crop Cover Under Farm Mutual Setup

NOTHING WOULD BE AT RISK

Proposal to Be Discussed at Big Meet-
ing of Mutuals in Philadelphia
Next Week

Much interest has been stirred by the announcement that the federal experts who have been studying the idea of crop insurance will discuss the program at the meetings of the Federation of Mutual Fire Insurance Companies and National Association of Mutual Insurance Companies in Philadelphia next week. The announcement states that these experts will suggest the idea of having the township and county mutuals throughout the country set up the machinery for administering the plan and carry it through.

Of course, if the facilities of the farm mutuals should be utilized, those companies would not risk anything. They are not prepared to make any guarantees and it is stated officially that they would not be willing to do so. They would merely service the scheme.

Stock Company Attitude

The stock insurance people have, of course, been watching the agitation for crop insurance. Most of them have been bewildered by it. Various schemes have been suggested and Secretary of Agriculture Wallace seems to offer a variance of the plan every time he speaks about it. There has been some discussion of the stock companies organizing a pool to handle some sort of crop insurance with a limit of loss, beyond which the government would pay the cost. It is such a vast proposal and there are so many practical objections to it and difficulties to be surmounted that most insurance observers don't know how to approach the problem. Most of them have been waiting on the sidelines until sentiment crystallizes and some definite proposals are made. Secretary Wallace, in his latest statement, seems

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Assignments Are Made for the State Meetings

The National Association of Insurance Agents has assigned officials or special representatives to attend the various state meetings. W. Owen Wilson of Richmond, Va., the new president, will speak before the Oklahoma agents' meeting and then journey on to California for the annual meeting at San Jose. Secretary W. H. Bennett will speak before the Missouri, Kansas, Wisconsin and Ohio meetings. W. H. Menn and Eugene Battles of Los Angeles will attend the Utah meeting. F. L. Greeno of Rochester, N. Y., will speak before the New Hampshire, Maine and Massachusetts meetings. Clyde B. Smith of Lansing, Mich., former national president, will be at the Indiana meeting and Frank T. Priest of Wichita, Kan., a member of the national executive committee, will be at the Tennessee meeting at Nashville.

Examination Plan Opposed by Pink

Convention Proposal Would
Create Waste, Inefficiency and
Big Expense

LEGALITY IS QUESTIONED

New York Superintendent Addresses
Joint Meeting of Casualty Groups
at White Sulphur

Unqualified opposition to convention examination of insurance companies, as proposed in a resolution adopted at the annual convention of the National Association of Insurance Commissioners at St. Paul, was expressed by Superintendent Pink of New York before the joint convention of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents at White Sulphur Springs, W. Va. Mr. Pink led the opposition to the resolution at the St. Paul meeting and since that time has been its principal opponent. Missouri and Pennsylvania have been two of the leading advocates of the plan and much correspondence has passed between Superintendent Pink and Superintendent O'Malley of Missouri on the question.

The resolution adopted at St. Paul proposed convention examination of all companies doing business in three or more states. Superintendent Pink in his talk declared it places an impossible burden on the shoulders of the convention and on the state. The convention is not equipped to handle it, he said; it has no organization to handle it, nor has it the experience. He said it would result in examiners being sent in every direction throughout the country, without adequate supervision or control by the commissioners association or by the home state.

Number of Companies Involved

He said there are 982 companies of all types doing business in three or more states which would have to be examined by groups of states under the resolution. Of these, 211 are in New York, 87 in Pennsylvania, 73 in Illinois, 70 in Massachusetts and the others are scattered throughout various states. Thus the Commissioners association would have to organize, control and accept responsibility for 250 to 350 examinations each year, or on the average of 1 per day. This would require the sending of examiners of each state throughout the various states. He contended it would mean decentralization, lack of control, and the infiltration of new and inexperienced persons.

It would cause a tremendous increase in expense as well as slowing up the whole process, with a let down in efficiency. Another factor, he said, is that in states where only one or two exam-

(CONTINUED ON PAGE 39)

Status of Agent Under New Social Security Act Viewed

RULING IS EXPECTED SOON

Internal Revenue Bureau Has to Make Decision on Account of Tax Angle

WASHINGTON, D. C., Oct. 7.—Internal Revenue Bureau officials are engaged in a study of the status of insurance agents of all types under the social security act and are expected to issue rulings in the not distant future as to whether commissioned agents are independent contractors or employees.

A number of important elements enter into a determination of the commissioned agent's status, it is said, including not only the fact that he is working on commission but also whether there is any direction and control exercised over his activities by the company or general agent for which he works.

At the Social Security Board it was pointed out that the matter is entirely under the jurisdiction of the Internal Revenue Bureau, in which is vested the administration of the taxing features of the act, although the board eventually will be required to make a determination of the benefits, if any, to which various types of employees are entitled. In the making of such determinations with respect to insurance agents, however, the board will follow the rulings laid down by the Treasury Department.

Up to Treasury Department

Officials of the board expressed themselves as unable to discuss the situation except in very general terms, because of the fact that the basis for future decisions dealing with agents is to be laid down by the Internal Revenue Bureau, but admitted that the matter is full of complexities because of the varying conditions under which agents operate, some working on straight salary, others on salary and commission and still others on commission only, and some under full control of their employers, others under partial control and still others entirely independent.

Internal Revenue Bureau officials refused to discuss the matter, in conformity with the department policy which precludes any anticipation of formal action, but it was learned that both remuneration and control will be among the major factors given consideration in the development of a policy as to the tax responsibility of insurance companies for their employees.

In all probability, a number of the states which have enacted social security acts under which they cooperate with the federal government will follow any ruling of the Treasury Department in this matter. It is pointed out that if the department holds agents to be employees and the states do not, the companies will be unable to secure any credit against their federal tax; on the other hand, if the federal government holds commissioned men not to be employees and the states hold the opposite, the companies will be required to make payments to the states but not to Washington.

County Officials Are Guests

WICHITA, KAN., Oct. 7.—The Wichita Insurors had as guests last week the present county commissioners and county treasurer and the candidates for those offices at the November election. Howard Fullington of Dulany, Johnston & Priest, program chairman, was in charge.

Three Get Georgia Licenses

ATLANTA, Oct. 7.—The Georgia department has licensed the Auto Mutual of Providence, R. I., Houston Fire & Casualty, Houston, Texas, and Factory Mutual Liability.

Missouri Leader



L. W. GARLICH, St. Joseph, Mo.

L. W. Garlich of St. Joseph, president of the Missouri Association of Insurance Agents, will preside over the deliberations at the annual meeting at Columbia this week.

Johnson & Johnson Moves

The Johnson & Johnson agency of Charleston, S. C., which operates as manager in North and South Carolina for several companies, has moved its offices from 5 Exchange street to the Peoples Office building, ground floor, which is at the corner of Broad and State streets. This is a convenient location in the heart of the insurance and real estate section of Charleston.

Johnson & Johnson has Bankers & Shippers, Commercial Union and New Jersey for South Carolina and Pacific and Southern Fire for North and South Carolina.

Louisville Agent Recovering

John E. Huhn, local and general agent in Louisville, is reported recovering from a serious operation. He was formerly president of the Liberty Fire and the Liberty Bank & Trust Co. He entered the local agency business a little more than a year ago.

Job Insurance Ruling Does Not Affect Home Offices

ALABAMA RESTRAINING ORDER

Federal Judge Bars Collection of 1 Percent Tax for Unemployment Cover

NEW YORK, Oct. 7.—The granting of an injunction by Federal Judge Kenamer restraining the state of Alabama from collecting the 1 percent payroll tax to finance unemployment insurance is of only academic interest to insurance people, except as unemployment insurance would affect home office and branch employees in that state. Alabama is one of the states which has held that insurance agents are not employees within the meaning of the unemployment compensation act. It has gone farther than the other states, for in revising its law to cover the situation, it exempted not only agents who are compensated on a commission basis, but also exempted industrial agents who are paid to a considerable extent by salaries.

New York Case Up First

If the Alabama case were likely to go as far as the United States Supreme Court it would have significance for the entire country. However, the New York unemployment reserve act will probably be the first of the various states acts to reach the United States Supreme Court. This act was upheld by the New York court of appeals, the state's highest tribunal, by a five to two vote April 15, of this year. It is expected that the New York measure will reach the United States Supreme Court within a year.

Longer Delay for Federal Act

It will be considerably longer before the federal social security act covering old age pensions, etc. will get a final hearing, since no legal action can be taken until the tax is due the federal government. This does not occur until Jan. 1, 1937. It is reported that an attempt has already been made to test the federal act, but not much attention is being paid to this effort, since it is believed necessary to have an actual attempt at collecting the tax before any worthwhile decision can be sought.

Excess Commission Pledge to Be Asked in New York

EXCHANGE TO MEET OCT. 14

Control Plan Through Reaffirmation of Old Agreement Satisfactory to Insurance Department

NEW YORK, Oct. 7.—Reaffirmation of that section of the New York Fire Insurance Exchange constitution pledging observance of the rules and regulations, especially relating to brokerage commissions, will be sought from all members at the monthly meeting Oct. 14. Senator Kaplan, attorney for the exchange, reports this action, if taken, will be satisfactory to the insurance department.

Payment of excess brokerage under one guise or another reached such proportions as to induce Superintendent Pink to warn company heads and local agents several months ago that unless the practice ceased he would be inclined to order a general rate reduction in exchange territory. The first step proposed in the exchange was to secure a pledge to hold to authorized brokerage figures, all members to sign in duplicate. One copy would go to the insurance superintendent and the other remain in the exchange files. Objection was raised that present rules are sufficiently positive to deal with the situation, and the department, seemingly, is of the same opinion.

In view of the department's watchful attitude and the exchange management's determination rigidly to enforce the rules, the era of widespread excess commission payments, it may be assumed, is definitely at an end. Some members may fall from grace but they will be harshly treated.

Manager H. M. Hess in his letter to members said the joint committee of exchange officers and members of the executive and arbitration committees voted to recommend the resolution calling for signing a pledge, which is based on a voluntary agreement prohibiting payment of excess commissions. The pledge will reaffirm and renew the agreement. Exchange officers will be authorized to take whatever steps are necessary to assure full and complete compliance with the pledge in letter and spirit.

Death of S. S. Thorpe

MINNEAPOLIS, Oct. 7.—S. S. Thorpe, head of Thorpe Bros., one of the largest realty and insurance firms in the middle west, died at his home here Oct. 5, at the age of 72.

Northern of Moscow Ohio Case

At the request of the United States government, Judge Reynolds of the common pleas court at Columbus, O., has held in abeyance until after a hearing his order to the Ohio superintendent that he pay \$20,000 fees and \$960 expenses to two attorneys and the estate of another in the case of the Northern of Moscow. The action was brought several years ago to secure return of the statutory deposit. The attorneys are C. S. Druggan and P. R. Gingham, and the estate that of the late B. W. Gearheart, former Ohio superintendent.

Northwestern National Changes

Fred D. Huber, who has been superintendent of claims of the automobile department of the Northwestern National home office, is made assistant department manager and Don Z. Reinertsen, who has been an automobile claims examiner, will be superintendent of claims. J. L. McMonigal, who has been claims attorney for Minnesota and northwestern Wisconsin, with headquarters at St. Paul, has gone to the home office to take Mr. Reinertsen's place as a claims examiner. Fred L. Dousman of Minneapolis has been appointed to take Mr. McMonigal's place.

THE WEEK IN INSURANCE

Strong opposition to convention examinations expressed by Superintendent Pink of New York at the big casualty convention at White Sulphur Springs. **Page 3**

E. J. McCormack of the Social Security Board tells latest developments in compliance procedure at annual conference of Life Office Management Association. **Page 3**

Idea of having farm mutuals administer a crop insurance scheme will be discussed at a meeting of mutual company representatives in Philadelphia next week. **Page 3**

Many luminaries will attend the annual dinner of the New York insurance department. **Page 5**

Comment on the action restraining Alabama from collecting 10 percent unemployment insurance tax. **Page 4**

Pledges not to pay excess brokerage commission in New York City to be asked of members by New York Exchange at meeting Oct. 14. **Page 4**

Program is announced for the annual meeting of the Wisconsin Association of Insurance Agents at Kenosha. **Page 16**

Program is announced for the annual meeting of the New Hampshire Association of Insurance Agents. **Page 23**

Joint casualty convention of company officials and general agents is being held this week at White Sulphur Springs, W. Va. **Page 27**

North American Accident holds golden anniversary convention in Chicago. **Page 28**

Efforts being made by Association of Casualty & Surety Executives to appeal from Georgia ruling that companies may not have salaried agents licensed. **Page 30**

William Leslie of New York City, associate manager National Bureau of Casualty & Surety Underwriters, speaks before Pittsburgh Breakfast Club. **Page 30**

Chicago plate glass situation resulting from National Bureau of Casualty & Surety Underwriters relinquishing jurisdiction of rates is reported under control. **Page 38**

Opinion is expressed that the new Illinois occupational disease law has absolutely no application to domestic servants. **Page 27**

Superintendent Pink and Assistant District Attorney Botein of New York to address General Brokers Association annual dinner Oct. 28. **Page 28**

J. M. Powell, president Loyal Life and Loyal Protective of Boston, presents some views regarding non-cancellable accident and health insurance. **Page 29**

Commissioner Smith of Utah, representing state officials' organization, approves rehabilitation plan for Pacific Mutual. **Page 29**

Annual Dinner of N. Y. Department

Past and Present Officials Will
Be Feted at Informal
Gathering

MANY LUMINARIES LISTED

Lincoln, Van Schaick, Phillips, Beha,
and Others Are Among Dis-
tinguished Graduates

NEW YORK, Oct. 7.—In keeping with a custom inaugurated in 1925 and observed each year thereafter, officials, attorneys, actuaries and divisional heads of the New York department, past and present, will hold an informal get-together dinner here tomorrow evening.

In scanning the list of eligibles, it is interesting to note the number of men now holding high posts in the insurance or related businesses that gained no small part of their underwriting knowledge with the department. Notable in such connection are: Former superintendents G. S. Van Schaick, now vice president New York Life; Jesse S. Phillips, chairman Great American Indemnity; J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters; Albert Conway, a state supreme court judge; W. H. Hotchkiss, leading insurance attorney; and F. L. Stoddard, attorney and arbitrator for the Surety Acquisition Cost Conference in this city.

Other Luminaries Given

Other early department attaches include: Leroy A. Lincoln, president Metropolitan Life; Alfred Hurrell, vice-president Prudential; J. J. Hoey, collector of the Port of New York; Daniel Gordon, secretary New York Board; C. E. Heath, vice-president Standard Surety & Casualty; R. N. Rose, president Excess of Newark; A. N. Butler, vice president Corroon & Reynolds group; C. P. Butler, assistant to general manager New York department of North America; Max Jameson, manager Excise Bonding Bureau; C. G. Smith, manager New York State Insurance Fund; J. L. Train, president Utica Mutual; H. J. Drake, counsel Association of Casualty & Surety Executives.

Others are Prof. S. B. Ackerman, New York University; Joseph Bill, counsel Continental Casualty; R. Brennan, president Bond & Mortgage Guaranty; T. F. Cunneen, manager insurance department U. S. Chamber of Commerce; F. C. Dunham, general counsel Metropolitan Life; W. W. Greene, vice-president General Reinsurance; William Leslie and Albert Whitney, associate general managers National Bureau; George Merigold, general attorney Prudential; Morris Pike, vice-president Union Labor Life; Leon S. Senior, general manager, and A. E. Smith, assistant manager Compensation Insurance Rating Board of New York.

Superintendent Pink is expected from White Sulphur Springs, where he addressed the convention of the International Association of Casualty & Surety Underwriters, in ample season to attend the dinner. J. L. Wood, head of the complaint division of the department, is secretary of the dinner committee.

To Plan N. F. P. A. Program

The program committee of the National Fire Protection Association will meet in Chicago Oct. 13 to get started on the program for the 1937 convention of the association which will be held in that city.

Fire Prevention Week Is Backed by Insurance Men

Fire Prevention Week is being observed in cities and towns all over the country this week. Insurance men are active in the promotional work and many of them are making talks before public gatherings and school children. Radio broadcasts, essay contests, educational programs, posters and other publicity means are being used to put over the idea of eliminating fire hazards.

North Dakota State Hail Division Again Under Fire

The state hail department again has been drawn into the political battle in North Dakota, a probe being demanded, and J. C. Eaton, state Democratic campaign manager, challenging the state administration to make public the full details of the audit of the hail department completed last May. The "real meat" of the audit never was made public, he charged.

The audit by J. M. Shirek, state accountant, covered the period Oct. 7, 1934, to Dec. 31, 1935. It was started to investigate charges of irregular claim payments.

Commissioner Hopton announced that W. J. Goodwin, Motion county representative, had been appointed assistant manager of the hail department. There was no political significance in the appointment, Mr. Hopton said. New hail legislation is needed, according to him.

Attorney-General Sathre recommended to Acting Governor Welford a grand jury investigation of the hail department be made, but it is said the latter prefers to ask for a legislative inquiry.

Commissioner Hopton, it will be recalled, uncovered the alleged hail claim irregularities, dismissed an employee, brought suit under his bond and made broad charges. Welford called on Hopton to explain why he had not "cooperated" with the attorney-general by signing a criminal complaint against the employee.

Wausau Woman Agent Is Still Active at 79 Years

One of the unique figures in Wisconsin insurance is Mrs. Louise M. Chartier of Wausau, Wis., who is still active in the Chartier Insurance Agency conducted there by her and her son, Ray M. Chartier. Mrs. Chartier, who will be 80 years of age next Jan. 30, is still an active business woman who began her career in the insurance business in Wausau in 1898. She and her husband, the late Frank E. Chartier, went there from Oconomowoc, Wis., in 1892. When the Wausau Mutual was formed in 1898 Mr. Chartier was engaged as secretary. Almost from the start he was assisted by Mrs. Chartier and their son, Ray, especially inasmuch as Mr. Chartier's health became seriously impaired shortly after the mutual was sold to the Duquesne Fire & Marine about 1900, and when Mr. Chartier started his agency for that and several other companies. Mr. Chartier died in 1912.

During the annual convention of the Wisconsin Association of Insurance Agents in Wausau two years ago, Mrs. Chartier was active as chairman of the local ladies' committee. A tribute to her long and successful insurance career was paid at the convention by W. B. Calhoun, of Milwaukee, state president at the time.

Mrs. Chartier is keenly convinced that better business women are needed for a better business world, but she also believes that "too many women have enslaved themselves by failing to accept

Inland Marine Forms Need Uniformity, Lawyer Finds

Inland marine insurance offers perhaps more legal complications than any other type of coverage, especially for underwriters, E. B. Hayes of Kremer, Branand & Hayes, half-century-old general and marine insurance legal firm of Chicago, told the Mariners, Chicago organization of marine underwriters, at the first fall meeting. The law and interpretations on ocean marine insurance are well established, he said, but inland marine, being comparatively new, does not have the background of clear decisions.

Mr. Hayes said inland marine forms undoubtedly need standardization, or at least some inter-company understanding. The lack of it causes difficulty in getting court decisions of value on any point. There has been a little done along the line of form standardization, he said, but many forms are ambiguous. It is, for instance, difficult in a number of forms to determine whether the company is writing liability or property insurance.

Phraseology Often Ambiguous

In certain contracts for dry cleaners, for instance, three constructions may be given a contract: 1. liability insurance; 2. insurance on the business interest; 3. property insurance for the benefit of whom it may concern. He said this lays companies open to the practice of the courts of ruling in favor of claimants in case of ambiguities. Courts also consider typewritten rider as controlling in preference to the printed form. Here, therefore, is a chance for the individual underwriter to save his company loss even though the printed form is badly phrased or, if he is not a careful underwriter, to make the contract even worse.

Mr. Hayes discussed the status of

brokers in handling inland marine insurance, cautioning against permitting a long standing relationship to develop under which, to hold the business, small unjustified claims with probably no legal liability are paid. This may tend to develop into a relationship of agency between broker and company and eventually cost the company much money. The situation especially develops in cases where brokers promise to bind risks for applicants but permit some time to elapse before applying for the policy.

Interpretations of Courts

Federal courts in Illinois and other jurisdictions quite uniformly hold that the broker is an agent of the company when the policy is sent to him for collection of premium, but otherwise he is the assured's agent. In Illinois, however, there is a tendency of state courts to make the most of circumstances which indicate an agency relationship between broker and underwriter, the theory being based on an old statute which makes the broker an agent of foreign underwriters for the purpose of making reports to the insurance department, etc.

Generally, Mr. Hayes said, the courts hold that the broker is the assured's agent if he held that status in the first place, but his status depends on the facts in each case. Illinois state court decisions are confusing on the point of the broker's status. This point is of greatest importance, because attorneys handling inland marine claims frequently find cases of misrepresentation on policy coverage, either intentional or otherwise, and constantly are having to fight claims based on the theory that the company is liable because the broker was the company's agent.

Fargo Agency Celebrates Its Silver Anniversary

FARGO, N. D., Oct. 7.—Warner & Co., the largest agency in Fargo, is this week celebrating its 25th anniversary. Some 50 guests, among them several from out of town, are expected, and the program includes a group luncheon Friday noon, open house for out-of-town guests at the home of Mr. and Mrs. Ray Warner Friday afternoon with golf for those who wish to play, and dinner at the country club Friday evening. Saturday the party will leave by car for Lake Melissa near Detroit Lakes, Minn., where the members will have lunch, and during the afternoon there will be golfing, fishing, shooting and other outdoor sports followed by a western steak dinner cooked over an open fire. The officers of this agency are R. D. Warner, president; C. H. Warner, vice-president; Glen Saylor, treasurer, and W. F. Warner, secretary.

General Agents Meeting

At the meeting of the officers and committeemen of the American Association of Insurance General Agents at Pittsburgh last week, it was decided to hold the annual meeting in Denver and it will be some time in June. W. L. Braerton of Denver presided over the meeting. There were present Herbert Cobb Stebbins of Denver, secretary; B. P. Carter, Richmond, Va., chairman executive committee; L. E. English, Richmond, Va.; Clarence Cobb, Denver; H. A. Steckler, New Orleans; William Deans, San Francisco; J. K. Shepherd, Little Rock; H. E. Kragg and C. J. Johnson of Alfred Paull & Son, Wheeling, W. Va.

the duties of a housewife where they would be relatively free."

Marine Institute Holds Its Annual Rally in New York

H. T. Chester presided over the annual meeting in New York of the American Institute of Marine Underwriters, this being a luncheon session. About 50 attended. Mr. Chester called upon several to give informal remarks. They included D. F. Cox, Appleton & Cox; D. R. Englar and A. G. Thacher, admiralty lawyers, and Hendon Chubb, head of Chubb & Son.

These directors were elected: W. R. Hedge, Boston; F. B. McBride, Fireman's Fund; E. J. Perrin, Jr., Automobile; W. C. Spelman, Union Marine & General; H. C. Thorn, North America; J. T. Byrne, Talbot & Bird; H. T. Chester; W. H. McGee, W. H. McGee & Co.; W. J. Roberts, Standard Marine; E. E. Ellis, British & Foreign; S. D. McComb, Marine Office of America; H. W. Spicer, Thames & Mersey; Albert Ullmann, North British, and W. D. Winter, Atlantic Mutual.

Delbert Robert of the Linn agency of the Massachusetts Mutual Life and C. J. Slawson of Dulaney, Johnston & Priest have been placed in charge of insurance company and agency solicitation for the Wichita Community Chest campaign in November.

Cigarette Butts Found in Bird's Nest in Barn

Deputy J. G. Seaman of the Michigan state fire marshal's office reports the case of a farmer who, while preparing the hay fork tracks in his barn some time ago, found a sparrow's nest on the track containing over 20 cigarette butts.

NEWS OF FIELD MEN

Arranges for Some Speakers

Indiana Fire Prevention Association Members Agree to Give Talks When They Are Assigned

J. A. Bawden, Indiana state agent of the Springfield, chairman of the speakers bureau of the Indiana Fire Prevention Association, has secured 14 members ready to serve the bureau. Two of these, one being Chairman Bawden, are taking a course in public speaking in the extension division of the Indiana State University. Among those listed on the speakers bureau are two men from the state fire marshal's office, one from the fire prevention division of the Indianapolis fire department and one from the Indiana Inspection Bureau.

Columbus Inspection Plans

Fifty-three talks will be delivered in connection with the inspection of Columbus next week under the auspices of the chamber of commerce and the Ohio

Fire Prevention Association. Among the speakers will be R. E. Vernor, J. W. Just and H. K. Rogers, Western Actuarial Bureau, Chicago; R. B. Criswell, Ohio Inspection Bureau, and A. C. Guy, Columbus manager Western Adjustment.

Denver Manager Dies

DENVER, Oct. 7.—Harrison P. Giberson, manager of the mountain field for the Westchester, died at his home here after an illness of several months. He was born in New Brunswick, Can., coming to Colorado in 1888. In 1907 he came to Denver, and entered the insurance business.

Ohio Meetings Set Back

Because of the national election, the November meeting of the Ohio Fire Underwriters Association will be held Nov. 10. The December meeting also will be pushed back one week, to be held Dec. 8.

New members of the association are C. M. Petersen, Travelers Fire, Cleveland; J. Glenn Doyle, Citizens of New

Jersey, Columbus; Winthrop Vorhee, American of New Jersey, Dayton. Guests at the recent meeting in Cleveland were Laurence E. Falls, vice-president American of Newark, and M. H. Grannatt, assistant United States manager L. & L. & G.

J. G. Hughes to Springfield

J. G. Hughes, special agent of the Phoenix of London group in Illinois, is moving his headquarters from Chicago to Springfield in order to be more centrally located. He will be in the Lincoln Theater building at Springfield. He has been in the Illinois field since April, formerly having been stationed at the New York head office.

Belanger Sent to Field

Earl T. Belanger has been appointed state agent of the Scottish Union & National group for West Virginia and southeastern Ohio with headquarters at Wheeling, W. Va. He has been an examiner at the United States headquarters in Hartford.

Plan San Francisco Ceremonial

SAN FRANCISCO, Oct. 7.—At the luncheon meeting of the San Francisco Blue Goose Monday, several applications for membership were voted upon.

Reports were made on the ceremonial to be held Oct. 30.

Members were urged to attend the civic dinner Thursday night, with Fire Chief Charles J. Brennan as guest of honor. Louis B. Mayer, head of Metro-Goldwyn-Mayer, is making a special trip to San Francisco from his Hollywood offices to speak.

Ferrell Succeeds Daniel

Dewey H. Ferrell has been appointed to succeed the late Lewis F. Daniel as state agent for Minnesota and northwestern Wisconsin for the Scottish Union & National and the American Union. Mr. Ferrell has had several years experience in field work in the west for the Scottish Union group and will have his headquarters at 1022 Plymouth building, Minneapolis.

Gilbert Joins Agency

B. A. Gilbert, southwest Texas special agent of Crum & Forster, San Antonio, Tex., has resigned to become associated with W. L. Dinn & Co., Corpus Christi, Tex., agency.

Janousek in Kansas Field

The Security of New Haven has appointed E. P. Janousek of McPherson, Kan., special agent for Kansas, assisting J. C. Hupp. Mr. Hupp is state agent for both Missouri and Kansas and Mr. Janousek will assist him in Kansas.

Will Honor John A. Robertson

The Ontario Blue Goose is giving a complimentary dinner Friday evening of this week to John A. Robertson, for many years secretary of the Canadian Fire Underwriters Association. Mr. Robertson admits passing three score years and ten and may disclose at the meeting how far beyond he has traveled.

New Jersey Specials' Dinner

NEWARK, Oct. 7.—Joseph Conway of the Pyrene Manufacturing Co. explained in detail the handling of fire extinguishers at the dinner meeting of the New Jersey Special Agents Association in Elizabeth, N. J.

The next meeting will be held in this city, when a representative of the University of Newark will explain the insurance courses which will be given at the institution this year.

Move to New Quarters

FARGO, N. D., Oct. 7.—The North Dakota Underwriters Association and the North Dakota Fire Prevention Association have moved to new offices in the First National Bank building. Officers of the underwriters association are O. A. Schollander, president; C. C. Bye, vice-president, and Leonard Zell, secretary. H. A. Paulson is president of the fire prevention association while W. F. Halverson is vice-president and C. M. Page, secretary.

Upshaw in Mississippi Field

L. C. Upshaw has been appointed special agent for Crum & Forster in Mississippi succeeding L. B. Hughes, resigned. His headquarters will be in the Lampton building, Jackson. He has been with the southern department of Crum & Forster 12 years as an underwriter.

Strouts in Minnesota Field

Appointment of Maurice Strouts as special agent in northern Minnesota is announced by the Northwestern Fire & Marine. He succeeds C. H. Christensen, who recently resigned to go with Great American as state agent in North Dakota.

Mr. Strouts went with Northwestern F. & M. about 10 years ago as a junior clerk, and has worked his way through the various departments. He has acquired a good knowledge of the business.

No other change is being made in the Minnesota field. Special Agent H. O. Munson continues to supervise central

SELLING SECURITY

vs. Peddling Policies

Put yourself in the buyer's place. How would *you* feel if you were approached one day to buy one kind of protection; the next day a different solicitor, urging some other kind; still another agent the third day, recommending something else (possibly something for which you could not have need); and on the fourth day a 'cold canvasser' rings your bell and asks "Do you need any Insurance today?"

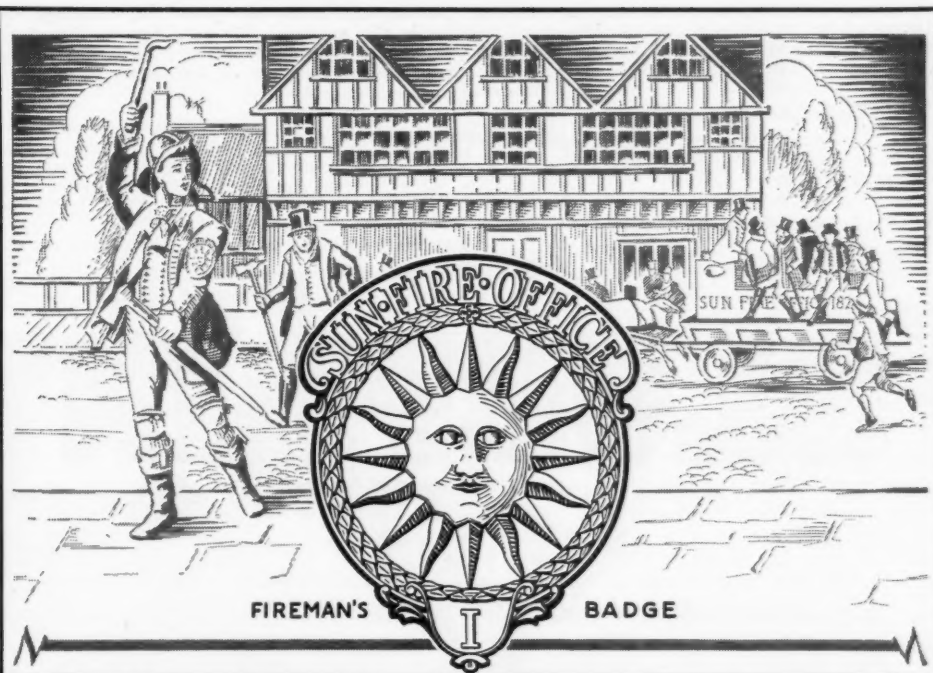
But if someone approached you with the idea of settling your entire Insurance Problem *once and for all*, you would welcome *him* with open arms! Why not treat your prospects as you would be treated?

We have created special forms for simplifying the 'programming' of both residence and mercantile property. Also a letter for interesting the prospect in advance. Drop us a line and ask us to show them to you.

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	Fire Companies	
THE AMERICAN	THE COLUMBIA	THE DIXIE

THROUGH THE CENTURIES-WITH THE SUN



The "Sun Mark", which has been the sign of good insurance for 226 years, was mentioned in the original "Proposal Forms" issued by the Office upon its organization in 1710. The proposal read:

"For the farther Encouragement of all Persons there are actually employed in the Service of the Office Thirty lusty and able-bodied Firemen who are cloth'd in blue Liveries and having Silver Badges with the Sun Mark upon their arms, and Twenty able Porters likewise, who are always ready to assist in quenching fires and removing goods, having given Bonds for their Fidelity."

These firemen were ordinarily employed as watermen on the River Thames. To protect them against being forced into naval service by the notorious Press Gangs, the Office took the following precaution:

"The Treasurer having procured a General Protection from Admiralty Office for the Watermen belonging to ye Office."

It was ordered that thirty of these "Protections" be prepared "with particular descriptions" and to be signed by the Secretary and one given to each man.

Conservative and resourceful management, finance and underwriting have distinguished this Company and its affiliates since the days when it was necessary to procure for its employees a "General Protection from the Admiralty Office."

The ability to establish safe and successful standards of management have been learned through more than two and a quarter centuries of experience. Proof of their maintenance is shown in the records of this, the oldest insurance organization in the world.



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COMPANY OF AMERICA**

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O. TREGASKIS, U. S. MANAGER

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COMPANY OF NEW YORK**

**SUN INDEMNITY CO.
OF NEW YORK**

PACIFIC COAST DEPARTMENT

SAN FRANCISCO, CAL.
SWETT & CRAWFORD, GENERAL AGENTS

CHARLES W. OHLSEN, MANAGER, WESTERN DEPARTMENT 309 W. JACKSON BLVD., CHICAGO

Minnesota, and Special Agent C. F. Hjermstad, Jr., southern Minnesota. Mr. Strouts will handle the field for the Northwestern, Twin City, and Citizens.

Plan Ladies Auxiliary at Wichita

The Sunflower (Wichita) puddle of the Blue Goose is considering the organization of a ladies auxiliary.

To Inspect Flandreau, S. D.

The South Dakota Fire Prevention Association will inspect Flandreau, Oct. 20. Harry K. Rogers of the Western

Actuarial Bureau will make the principal address in the evening. He will speak to the high school students during the day and also the students of the Flandreau Indian high school.

Durndorf Resigns Ohio Post

D. F. Durndorf of Columbus has resigned as Ohio special agent of the Home.

Bay State Club Meets

The Bay State Club, composed of Massachusetts special agents, opened its

fall meetings with an address by Librarian Daniel N. Handy, who described the work and place of the insurance library in Boston.

Field Notes

Weekly luncheons of the Syracuse (N. Y.) Field Club have been resumed. The Indiana Fire Prevention Association will inspect Michigan City, Oct. 21. R. E. Vernor, Western Actuarial Bureau, will make the principal address at a noon meeting.

Harry M. Woods, St. Louis adjuster, died of a heart attack.

COMPANY NEWS

Utah Home Fire Marks Its Fifty Years of Existence

SALT LAKE CITY, Oct. 7.—A dinner was held here commemorating the 50th anniversary of the founding of the Utah Home Fire, Utah's only stock fire company. George J. Cannon, managing vice-president Beneficial Life and a vice-president of the fire company and for many years its manager, presided. President Heber J. Grant, the principal organizer of the company and its first and only president, was present.

Commissioner E. A. Smith, Jr., a former employee, and his father, E. A. Smith, Sr., original secretary of the company and now a vice-president, were present as well as Rulon S. Wells, former insurance commissioner and a former secretary of the company, in its early years.

Globe & Rutgers Repays Loan

The Globe & Rutgers has repaid another \$500,000 of borrowed money making the total payment so far this year \$2,500,000 and reducing its outstanding obligations to \$3,000,000. The Globe & Rutgers announces that it has purchased 1,250 shares of its preferred stock held by the R. F. C. for \$125,000. These shares are being held in the treasury and will be retired by stockholders' vote at the next annual meeting.

Launch New Ohio Company

The Sterling Insurance Company of Columbus, O., has been incorporated with \$100,000 capital to write fire, lightning, hail, automobile, storm, explosion, and inland transportation insurance. The incorporators are Burnett E. Andrews, Ruby C. Andrews and R. F. Sater. No application has yet been filed with the Ohio department for a license. Mr. Andrews at one time was with Central Manufacturers Mutual Fire.

Dubuque F. & M. Statement

The semi-annual statement of the Dubuque Fire & Marine shows assets \$5,125,412, premium reserve \$2,404,471, contingency reserve \$150,000, capital \$1,000,000, net surplus \$1,236,072. The surplus shows an increase of \$40,000. The loss ratio for the six months was 48.2 percent and the expense ratio 56.2 percent.

Report on Traders Mutual Fire

Total assets of Traders Mutual Fire of Lombard, Ill., as of April 30, 1936, were \$16,834 and net surplus \$10,911, an examination report of the Illinois department discloses. A very small amount of business is written and little or no effort is exerted to increase the volume, but the department states the company is ably and efficiently managed and policyholders are afforded fair treatment. It is operated by E. F. Deicke, who also is president Suburban Auto of Lombard. The officers of Traders Mutual Fire receive no compensation. Net premiums in 1935 were \$1,339 and net losses \$4,083.

Ace Reinsurance Plans

NEW YORK, N. Y.—Horace R. Wemple, who is promoting the Ace Reinsurance of New Jersey and is to be its president, is confident the organization will be ready for business within 30 days, with headquarters at Elizabeth. The corporation, he states, will start with a capital of \$500,000 and a paid in surplus of \$2,000,000, all of which he says has been pledged. Plans of the intended organization have been passed by the SEC and are now being filed with the various states.

Bowman Baker, who has been manager of the Burton, Williamson & Gibson agency, Kerrville, Tex., has resigned to enter the law school of the University of Texas, and is succeeded by C. V. Berryman.

7
STANDARDS OF
SUPERIORITY
OF
GRINNELL FIRE PROTECTION

Research
Engineering
Diversification
Quality of Products
Installation
Responsibility
Accessibility

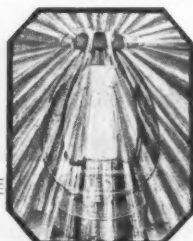
Blueprints from Grinnell Engineers! Each is part of a "tailor-made" defense against fire. Into every one goes Grinnell's sixty years of experience. Each has a place in Grinnell's accepted responsibility — *stopping fire at its source.*

Thousands of these blueprints are layouts. Assurance to owners of Grinnell Systems that equipment is correctly placed, to protect every nook and corner of their property.

Hundreds of others cover Grinnell product designs. Here, a development that accelerates the flow of water. There, a head that floods a definite area. Countless others, each marking an advance in the field of fire protection.

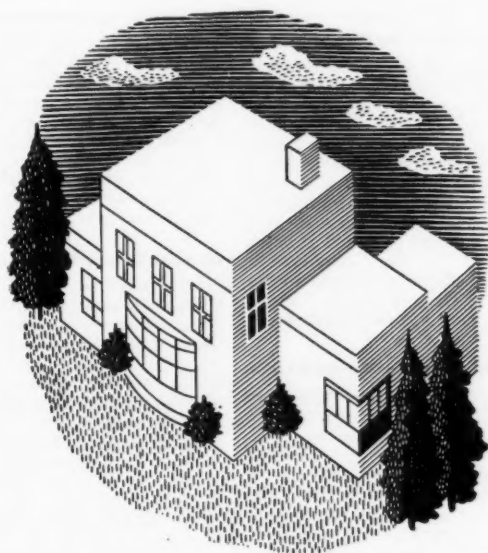
This thoroughgoing engineering, in layout and in equipment, is one of Grinnell's Seven Standards of Superiority. One of the seven reasons why you should urge your prospects and policyholders to move their property to the fifty billion dollar "Fireless City" protected by Grinnell.

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THE SUPPLEMENTAL CONTRACT, when attached to a Fire Insurance policy, insures property against loss or damage by:



FIRE Includes all of the coverage provided by the Standard Fire Insurance policy, including damage caused by fire, lightning, and water used to extinguish a fire.



EXPLOSION Covers all direct loss or damage by explosion, except as specifically excluded.



WINDSTORM Covers damage to dwelling house caused by wind, cyclone or tornado, with such exclusions as are specifically mentioned in the endorsement.



RIOT Pays for all damage to dwelling resulting from riots, strikes or civil commotion.



HAIL Insures against damage to the dwelling house caused by hail, but excludes awnings, greenhouses and certain other property as specified in the endorsement.



AIRCRAFT Pays for damage to dwelling caused by falling aircraft or objects falling therefrom, or caused by automobiles, busses, street cars or other self-propelled vehicles.

NOTE: Damage by smoke is included in the Supplemental Contract in certain states; in others it is obtainable by special endorsement.

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THE AETNA LIFE INSURANCE COMPANY — THE AETNA CASUALTY AND SURETY COMPANY





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CASUALTY FIDELITY SURETY

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Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.

Combination Automobile Policy,
Combination Residence Policy and
Complete Golfer's Policy issued jointly
with allied fire companies.

AS SEEN FROM CHICAGO

IDEAL AGENCY IS OPENED

A small group of experienced insurance men has established the Ideal Insurance Agency, which has opened an office in Room 517, 222 West Adams street. This will be a general line agency but will specialize in industrial sickness and accident insurance. The organizers believe this coverage has been neglected by many brokers either because they thought the premiums were too small to bother about or the time expended in collections was disproportionate to the commissions. The personalities in the agency as yet have not been announced.

* * *

T. C. UNDERWOOD MADE MANAGER

T. C. Underwood has been appointed manager of the inland marine department of the America Fore group in its western office succeeding A. H. Derbyshire, who has been transferred to the head office in New York City. Mr. Underwood has served the America Fore in a number of capacities. He was once staff adjuster, later state agent for Illinois and for a number of years has been in charge of the development of general cover business in central western territory.

* * *

GOVERNING COMMITTEE MEETING

The first meeting of the governing committee of the Western Underwriters Association following the semi-annual meeting at Hershey, Pa., was held Monday in Chicago. Chairman John C. Harding of the Springfield F. & M. presided. There are two new members on the committee, H. T. Cartledge, deputy manager Royal-L. & L. & G., who succeeds E. A. Henne, America Fore, and W. K. Maxwell, Hanover, who succeeds J. C. McKown of the St. Paul F. & M. Mr. Cartledge was on from New York as were C. F. Shallcross, North British & Mercantile; F. W. Koeckert, Commercial Union; Wilfred Kurth, Home; R. D. Safford, Travelers Fire.

The meeting was held Monday inasmuch as some of the members were leaving that evening for Denver to participate in the mountain supervisory committee meeting, they being Wilfred Kurth, Home of New York; A. F. Powrie, Fire Association; W. N. Achenbach, Aetna Fire, and E. A. Henne, America Fore.

* * *

SWANSON TO HANDLE BROKERAGE

Thor L. Swanson has joined the General Insurance Agency of Chicago to develop brokerage business in all lines throughout the county. He formerly was a class 1 member of the Chicago Board. Mr. Swanson has spent 20 years in insurance work in Chicago and Illinois, starting as office boy for the Hanover's western department, then for ten years being with the Westchester, a part of the time as examiner. Following that he was state agent of the County Fire of Pennsylvania and Granite State for ten years in Illinois, and then was in the metropolitan Chicago field as special agent for the Royal. More recently he was vice-president of the J. M. Hogle & Co. agency of Chicago and a member of the firm.

* * *

NEW PARTNERSHIP FORMED

The partnership of Buenemann, Hoffberg & Co. has been formed in Chicago as adjuster of fire losses for the people, with offices in A-704 Insurance Exchange. It is composed of Phil Hoffberg, former public adjuster of Chicago, and J. P. Buenemann, who has had an office at 330 South Wells street. Mr. Hoffberg for 15 years was a public adjuster, then went into the hotel business, becoming head of the Affiliated Hotels of Chicago. Mr. Buenemann is a well known public adjuster of long experience, having started as office boy in the old Germania Fire's western department

under Col. E. G. Halle when he was manager. Then he was special agent of American of Newark in Minnesota, then for four years adjuster for the Royal in Chicago. For 12 years he was a staff adjuster with the Western Adjustment, rising to assistant general manager, when he resigned to become a public adjuster. The telephone number of the new office is Harrison 6074.

* * *

BOARD DIRECTORS ARE NOMINATED

The nominating committee of the Chicago Board has slated for election as directors at the quarterly meeting to be held in the board auditorium Oct. 22, W. K. Maxwell, vice-president Hanover's western department; Arthur C. Youngberg, of Youngberg-Carlson Co., and Lester Kornblith, vice-president Eliel & Loeb. They are to succeed E. A. Henne, vice-president America Fore group, J. I. Loeb, of the Associated Agencies, and J. M. Newburger of J. M. Newburger & Co.

* * *

BOARD, BROKERS CONFER

The first meeting between an official committee of the Illinois Association of Insurance Brokers and the Chicago Board was held Wednesday. The agitation on the part of brokers for a greater voice in the affairs of the board resulted in an agreement by the board officially to confer with a committee of brokers from time to time. R. M. Redmond, head of the brokers' association, is chairman of the brokers' committee of three, while the board committee consists of President Charles Buresh, Vice-president Chester Hayden and Manager J. S. Glidden.

J. A. Mudd is one member of the brokers' committee. The third member, J. J. Monahan, is in Mercy hospital. His place was taken by A. J. Gallagher.

* * *

DEAN SCHEDULE CLASS STARTS

The annual Dean schedule class of the Chicago Board, in which two introductory lectures on standards and the general work of the course have been given, will get under way Oct. 19 to continue 20 weeks. Classes will be held Monday nights from 5:30 to 7 with R. A. Parker, assistant manager; D. P. Skaer, superintendent of ratings, and William Kuffel of the rating department as lecturers. The tuition is \$10. The work will involve largely the figuring of practical rating problems. There are about 30 enrolled in the class, there being no educational prerequisites. Assistant Manager Parker and his assistants for the first time this year are instructing on supplement 14 of the analytic system, which is the latest of the revisions embodying rating of the newer types of construction, such as lighter fire resistive types. The course has been thor-

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Three-fourths of the accident and health companies have made great changes in their rates and policies. All information accurately given in the Time Saver. This comprehensive book only \$4. Write 420 East Fourth street, Cincinnati.

oughly modernized and deals with the most advanced methods of rating.

* * *

BLUE GOOSE BANQUET NOV. 2

The Illinois Blue Goose will have a banquet in Chicago Nov. 2. This will be the first event of the season. At that time a presentation will be made to M. C. Dawson, Underwriters Adjusting, Chicago, as all-Illinois Blue Goose golf winner. High class professional entertainment has been arranged by James E. Guy, America Fore.

* * *

NEW LIFE MEMBERS 1936-37

This year, at the time of the annual banquet of the Society of Life members of the Fire Underwriters Association of the Northwest, in Chicago, Oct. 20, nine attain the status of life members and 37 of associate members. The new life members are those who became members in 1912 while the new associate members are those who joined in 1917.

Following are the new life members:

Charles B. Allan, New England Life, Kansas City; A. H. Green, special agent, Atlas, Chicago; F. H. Hawley, president Ohio Farmers; John W. Herd, special agent, Scottish Union, St. Louis; A. R. Marks, special agent Great American, Chicago; A. M. Nelson, retired, Evanston, Ill.; R. I. Read, Cook county manager Crum & Forster; Paul B. Sommers, president American; Earl W. Thomas, special agent National Liberty, St. Louis.

These are the new associate members:

T. B. Boss, president American Reserve; Glenn L. Cavanagh, general agent, Omaha; J. C. Chase, special agent, National Union, Canton, Mo.; H. B. Christinger, associate manager National Inspection Co., Chicago; C. A. Dafee, special agent, North British, Detroit; G. H. DeVries, special agent, New York Underwriters, Kansas City; C. J. Doyle, National Board, Springfield, Ill.; Fred W. Edler, special agent, New York Underwriters, Milwaukee; J. W. Gregory, assistant manager, Crum & Forster, Freeport, Ill.; T. Graham Hall, Hall & Benedict, Nashville; Chas. C. Hatcher, Jr., special agent Hartford, Chicago; Harry W. Hull, special agent, London & Lancashire, Indianapolis; W. C. Kirkland, agency superintendent, Travelers, Hartford; H. W. La Rue, secretary America Fore, Chicago; H. D. Lewis, retired, Oak Park, Ill.; Chas. J. Lund, manager Fire Underwriters Inspection, Minneapolis; James Marshall, secretary Northern, New York; A. H. McDonnell, vice-president Detroit F. & M.; Milton C. Miller, special agent Royal, Louisville; Frank H. Rea, Lumbermen's Underwriting Alliance, Kansas City; J. V. Richards, general agent, Nashville; R. L. Rumbaugh, manager Western Sprinkled Risk, Chicago; Geo. H. Schrup, special agent Dubuque F. & M., Dubuque, Ia.; B. Goff Snyder, general agency, Louisville; R. L. Tanner, secretary New York Underwriters; John B. Tetlow, special agent American, Peoria, Ill.; Geo. H. Thomas, special agent Aetna Fire, Columbus; John M. Thomas, president National Union; Chas. P. Tracy, special agent New Hampshire, Chicago; R. E. Vernor, Western Actuarial Bureau; C. D. Wadsworth, special agent, Springfield, Des Moines; Wm. Walsh, agent, Minneapolis; E. H. Warner, secretary Merchants Mutual Bonding, Des Moines; Ed. J. Weinfurth, special agent Dubuque, St. Louis; J. E. Williams, Northwestern National, Milwaukee; John T. Woodfoffe, Northern, St. Louis; W. O. Woodsmall, special agent Fire Association, Kansas City.

Little Cheer for the Stock Holders in First 6 Months

Standard Statistics has made an analysis of the insurance stocks in the light of the mid-year statements. Comment is made on the surprisingly heavy reduction in net underwriting profits which were decidedly below the 1934 and 1935 figures.

Wide publicity attending the large underwriting profits of 1935, Standard Statistics observes, was instrumental in bringing about reductions in rates. The trend continues to be toward lower premium receipts per dollar of business written.

There is an upward trend of losses

which has been evidenced now for exactly one year.

Net investment income of the fire companies for the first half of 1936 was slightly lower than for the same six months of 1935. This is apparently due to the declining yield on better grade securities. Most companies holding large proportions of stocks may show improvement in the second half of the year, as a result of increased corporate dividend payments. There is no special incentive for fire companies to pay larger dividends since they have been exempted from paying a tax on undistributed income. Regular dividend rates, however, are considered safe.

Underwriting operations of casualty and surety companies have shown decided improvement. This has been due principally to a sharp decline in losses. Surety companies are collecting considerable salvage on losses paid during the depression. Lower losses, expanding underwriting volume and the higher premiums allowed on some types of business will enable the casualty-surety companies to report exceptionally favorable results for 1936.

The Realty & Insurance Corporation of Richmond, Va., has been incorporated. Collins Denny, Jr., is president.

SOME INTERESTING EXHIBITS

There were six exhibits outside the convention hall at the Pittsburgh meeting of the National Association of Insurance Agents. As usual the Aetna Casualty had the largest, consisting of a miniature theater. Two films were shown, "The Bad Master," dealing with fire prevention, and "The Truck Driver," covering highway safety. T. Z. Franklin, superintendent, special hazard department Automobile Insurance Co., gave a demonstration of fire hazards. The "reactometer," which measures an automobile driver's reaction time, was also on display. S. F. Withe, publicity director, was in charge of the display, assisted by J. R. Donovan, R. E. Brown, and H. C. Pulver.

The United States Fidelity & Guaranty and the Fidelity & Guaranty Fire had two moving, illuminated displays advertising fidelity and the burglary insurance respectively. A. C. Supplee, general manager at Pittsburgh, was in charge, assisted by E. W. Jackson, Pittsburgh district supervisor.

The Camden Fire had its advertising circulars on display in a revolving

stand. C. W. Smitheman, production manager at the home office, was in charge, assisting Vice-president J. F. Gilliams introducing the company to agents.

The American Surety had an exhibit in charge of W. H. Reilly, district supervisor at the home office. Vice-presidents Howard Dunham and W. L. McKell were also in evidence.

Other Exhibits Presented

The Insurance Premium Finance Company of Pittsburgh had an exhibit in charge of R. G. Harris, assistant secretary.

The National Bureau of Casualty & Surety Underwriters had a room near convention headquarters devoted to the safety material gotten out by this organization. Considerable interest was attracted by several graphs and diagrams showing actual results of engineering and enforcement at certain dangerous corners in New York and other cities. H. F. Hammond, traffic engineer, and Dr. H. C. Stack, educational director, were on hand.

Enthusiastically praised
by Agents and Assureds alike!

SPRINGFIELD GROUP COMPREHENSIVE AUTOMOBILE POLICIES



The SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO.	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	PITTSFIELD, MASS.

CROP COVER UNDER FARM MUTUALS

(CONTINUED FROM PAGE 3)

to indicate that the administration now is thinking in terms of a huge surplus granary system under which excess farm surplus would be taken off the market in good years and released when crops fall below normal. The government would pay the storage charges.

The stock companies, in considering the subject, recall that several years ago one of the large fire companies undertook to provide all risk crop insurance, with disastrous results.

Limited Covers Available

Of course, limited forms of crop insurance are available. Both hail and fire insurance may be purchased upon growing crops. These are definite, ascertainable contingencies that may cause heavy loss but will never cause the insupportable, catastrophic loss that a drought or infestation of insects will produce.

Roy M. Green, director of the division of agricultural finance of the bureau of agricultural economics, will outline the crop insurance scheme at the mutual meeting next Tuesday. A discussion period will follow and Dr. V. N. Valgren, chief agricultural economist of the

farm credit administration, will participate. Dr. Valgren has always been greatly interested in the welfare of the farm mutual companies and the supposition is that he is the one that conceived the idea of having the farm mutuals participate.

Conversations have been held by some leading stock company executives regarding a method of servicing crop insurance for the federal government should it embark in the venture. Thus far, however, nothing tangible has been developed, though continued study will be given the problem.

A. V. Gruhn, general manager American Mutual Alliance, states that since crop insurance has been espoused by both political parties, the mutual people have offered their facilities if they can be found useful in administering a crop insurance law. He states that there are some 2,000 farm mutual units in the country. The chief executives of many of these concerns are also secretaries of the local farm organizations. Therefore, considerable man-power is available at the grass roots.

There will be dozens of speakers at

the mutual convention, which in addition to the main sessions, divides into groups such as windstorm, city and town, farm, automobile, hail, advertising and sales, etc.

Among the speakers at these various sessions will be: H. P. Cooper of Indianapolis, secretary National Association of Mutual Insurance Companies; J. E. Shepard, Mutual Fire of Covington, Ky.; A. H. Myers, president Indiana Farmers Mutual; G. A. Bubolz, farm credit administration; J. B. Kincer, weather bureau; W. C. Hagerty, president Oregon Mutual Fire; Paul Wagner, secretary Louisville German Mutual Fire; H. F. Rich, Jr., Donegal & Conoy Mutual Fire; F. A. Hoffman, Mutual Fire of Coatesville, Pa.; J. I. Davis, Integrity Mutual of Wisconsin; W. I. Myers, governor farm credit administration; B. Rees Jones, president Town Mutual Dwelling of Des Moines; B. C. Vine, Millers Mutual Fire of Alton, Ill.; Commissioner Hunt of Pennsylvania; H. P. Hostetter, Mt. Carroll Mutual Fire of Illinois; Rex Goodwin, Crawford County Mutual Fire of Illinois; E. J. Smalley, Alliance Cooperative of Topeka; Roy M. Green, bureau of agricultural economics; Ellwood Host, Mutual Fire of West Point, Pa.; J. T. Haviland, Philadelphia, vice-president Lumbermen's Mutual Casualty; Irvin Bendiner, University of Pennsylvania; C. E. Hodges, Jr., vice-president Allied American Mutual Fire; R. J. Chase, Farmers Mutual of Lockport, N. Y.; H. J. Ferguson, vice-president Farmers Alliance of McPherson, Kan.; E. N. Lashment, Liberty Mutual; Paul Rutledge, Farmers Mutual Hail of Missouri; A. E. Anderson, North Star Farmers Mutual of Minnesota; Lloyd Rouch, Rochester Farmers Mutual of Indiana; Eugene Arms, Mutual Fire Protection Bureau, Chicago; N. S. Kiefer, American Mutual Alliance.

The annual convention of the Pennsylvania Association of Mutual Insurance Companies will be held as a part of the gathering of the National Association of Mutual Insurance Companies, in Philadelphia Oct. 12. It will be strictly a business session. New officers will be elected and proposed legislation discussed.

Social Security Compliance Procedure Now Developed

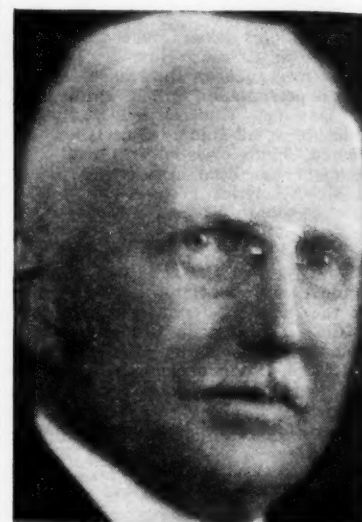
(CONTINUED FROM PAGE 3)

a list of its prospects for participation under the act. The card represents the individual application of an employee for assignment of a social security number to his individual account. In much the same manner as a life company numbers its policies, the board will give each account a number. The employer makes subsequent reports on wages by name and number and regardless of where the employee may move or how many positions he may change, the account number and name as appearing on the records will always be given whenever a wage report is made. The card is unusually brief and simple, Mr. McCormack said, and will greatly simplify the task of maintaining records on 25,000,000 eligibles.

The field organization of the board has also been developed along the lines of the agency forces of life companies. Mr. McCormack served as chairman of the field committee, which developed details of the plan. Many life company men were also consulted before the final set up was adopted. The plan is built around 12 regional offices, which will coordinate the various activities of the board nationally. Offices will be located in large industrial centers and all important cities, and branches of these offices will service the more remote areas. Office managers, their assistants, clerical staffs and field men, he said, are being trained for this work. Efficient and economical administration were the prime factors considered in setting up the organization.

Mr. McCormack further declared that

Convention Head



JUSTIN PETERS, Philadelphia

Justin Peters, president of the Pennsylvania Lumbermen's Mutual Fire of Philadelphia, is chairman of the general convention committee in charge of the annual convention of the National Association of Mutual Insurance Companies to be held in his city, Oct. 12-15. He is a director of the United States Chamber of Commerce, past president of both the National Association of Mutual Insurance Companies and the Federation of Mutual Insurance Companies. He is president of the Eastern Adjustment Bureau and president of the Mutual Insurance Bureau. He is a director of the Lumber Mutual Fire of Boston and the Lumbermen's Mutual Casualty of Chicago. He is a member of the advisory board of the Lumbermen's Mutual of Mansfield, O.

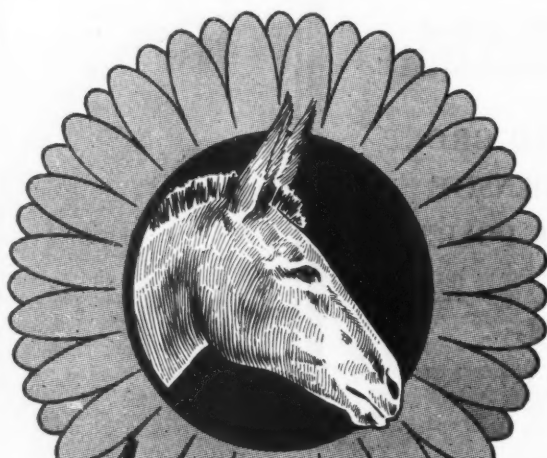
H. H. Gilkyson, Jr., Phoenixville, Pa., executive vice-president of the Mutual Fire of Chester county, is president of the Pennsylvania Association of Mutual Insurance Companies and therefore he will be the state host at the convention.

a larger administrative field staff will not be built until the need for it is actually demonstrated. Of course, he said, many procedures have yet to be effected and there are other problems which must yet be solved. There is the claims division which must maintain close integration with the records division. However, the work is going forward rapidly and minor details will be worked out as quickly as possible.

Of paramount importance, Mr. McCormack declared, is the fact that the social security act is manifest recognition that something must be done about the problem of the insecurity of old age. In this respect, he said, both life insurance and social security "extend ministering hands to those in need." Purposes are similar for each. Life insurance provides the service of trusteeship, whereas social security will find its trusteeship in service. Where life insurance—solid, inspiring, secure and a depository for savings—will fulfill its particular purpose, social security will "supplement its magnificent service, hoping to emulate its splendid record."

Ohl Succeeds Bross

William F. Ohl, Jr., has been transferred from manager of the Boston service office Home group to special agent in northern New Jersey, succeeding F. L. Bross, recently resigned. He will assume the new post Oct. 15. A graduate engineer, Mr. Ohl was trained in the service division at the head office of the Home some years ago, developing marked ability in rating and survey work.



They were BOTH...

... fine meetings in two fine states. And we enjoyed them ALMOST as much as we enjoy the fine business you Kansas and Missouri agents are nice enough to send us. Many thanks—and we'll see you later!

Mont Jones *Pete Rush*
Harry Brown
Ed Kiesler

Managed by
R. B. JONES
and SONS
Inc.

KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY
MISSOURI



YOUR CANDIDATE

Lex asks for your vote as nominee of the Progressive Agents Party. He stands on a platform which supports the American Agency System, as an Independent, without group affiliations or running mates.

The Old Lion is a seasoned campaigner, having stumped the Nation with the Camden Fire Fighters Plan for securing new business.

In order to vote for Lex and use his Prize Winning Direct Mail Campaign, you must register as a duly qualified agent of the Camden Fire. Perhaps that can be arranged. See the State Committeeman for your territory or write to Campaign Headquarters.



AD1841

CAMDEN FIRE INSURANCE ASSOCIATION

Camden, New Jersey

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 5, 1936

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	104	107
Aetna Fire	10	1.60	51 1/2	53 1/2
Aetna Life	10	.80	31 1/2	33
Agricultural	25	3.00	85	88
Amer. Alliance ..	10	1.20*	24	26
Amer. Equitable ..	5	1.05*	34	36
American (N. J.) ..	2.50	.50	14	15
Amer. Surety	25	2.25*	62	64
Automobile	10	1.20*	35	37
Balto. Amer.	2.50	.30*	8	9
Boston	1.00	21.00*	620	635
Camden Fire	5	1.00	22	23
Carolina	10	1.20*	26	28
Contl. Cas.	5	1.00	31	32
Contl. Ins.	2.50	1.45*	39	40
Crum & For. Com.	10	.90*	29	31
Fidelity & Dep. ..	20	2.25*	123	125
Fidelity-Phen. ..	2.50	1.45*	41	43
Fire Assn.	10	2.50*	78	80
Fireman's Fund ..	25	4.00	96	98
Fireman's F. Ind. ..	10	...	33 1/2	34 1/2
Firemen's (N. J.) ..	5	...	12	13
Franklin	5	1.20*	30	31
Glens Falls	5	1.60	41	42 1/2
Globe & Repub. ..	5	.50	18	20
Gl. & Rut. (com.) ..	25	...	50	52
Gt. Amer. Fire.	5	1.20*	27 1/2	28 1/2
Gt. Amer. Ind.	1	.15	8	10
Halifax Fire	10	.90*	23	25
Hanover Fire	10	1.60	34	36
Harmonia Fire.	10	1.20*	25	27
Hartford Fire.	10	2.50*	72	74
Htfd. Steam Boil. ..	10	1.60	78	80
Home F. & Mar.	10	2.00	42 1/2	44
Home Fire Sec.	10	...	4 1/2	5 1/2
Home (N. Y.)	5	1.20*	36	37
Homestead	10	1.00	20	22
Rights 50c-\$1.00.				
Ins. Co. of N. A.	10	2.50*	73	75
Kan. City F. & M.	10	.60	20	22
Knickerbocker ..	5	.50	14	16
Merch. & Mfrs.	5	.40	11	12
Merc. Assur. com.	5.00	1.75*	58	62
Natl. Cas.	10	.80	19	21
Natl. Fire	10	2.00	66	68
Natl. Liberty	2	.40*	10	11
Natl. Union	20	4.00*	136	138
New Am. Cas.	2	...	15	16
New Brunsw. F.	10	1.30	33	35
Northern (N. Y.) ..	12.50	4.00*	93	95
North River	2.50	1.00*	27	28
N. W. Natl. Cas.	2.50	.10	6 1/2	7 1/2
N. W. Natl. Fire	25	5.75*	121	125
Pacific Fire	25	5.00*	120	125
Phoenix, Conn.	10	2.50*	83	85
Prov. Wash.	10	1.25*	36	38
Repub. Ins., Tex.	10	1.00	26	27
Rossia	5	.70*	13	14
Security	10	1.40	36	38
Southern Fire ..	10	1.20	25	27
Sprfld. F. & M.	25	4.75*	132	135
St. Paul F. & M.	25	7.50*	210	215
Travelers	100	16.00	520	530
U. S. Fire.	4	1.90*	56	58
U. S. F. & G.	2	...	24	25
Westchester Fire ..	2.50	1.40*	34	36

*Includes extra.
**Canadian funds.

Cooperative Mutual Formed

SUPERIOR, WIS., Oct. 7.—At a meeting of directors of the newly organized Mutual Cooperative Fire the following officers were elected: Arnold J. Ronn, office and credit manager of the Central Cooperative Wholesale, president; Harvey Sanders, vice-president, and Ilmar Kauppinen, manager of the Workers' Mutual Insurance Agency, secretary-treasurer. In addition to these officers, the board of directors includes Jack Heino, Jalmar Nukala, Henry Koski and Charles Kary.

The cooperative insurance company movement is said to have the backing of interests associated with consumer cooperatives in Wisconsin, Michigan and Minnesota. For some time past the cooperative insurance agency has handled the business of a number of cooperatives in this territory, placing the business with mutuals. It was announced that articles of incorporation of the new cooperative mutual have been approved by the Wisconsin department and that the company will start business as soon as the required 200 initial policyholders have been secured.

Mutual Group Elects

CLEVELAND, Oct. 7.—Art Stull, general manager State Automobile Mutual in Cleveland, was named president of the Mutual Insurance Association of Cleveland at the annual meeting. E. J. Dorrence of the C. J. Ross agency was elected secretary-treasurer. Tribute was paid to Homer A. Harrison, retiring president.

On Oct. 19, the mutual group will

hold a dinner meeting with A. V. Gruhn, general manager American Mutual Alliance, Chicago, as the principal speaker. Mr. Gruhn will discuss the non-assessable policy, the past and future of mutual insurance, and whether or not offices should operate both stock and mutual.

At the association's golf tournament and clam bake H. E. Thomas won the prize for low gross score and L. J. Reiber, Jr., took the blind bogey.

No Action on Auto Trailers

NEW YORK, Oct. 7.—Directors of the National Automobile Underwriters Association met with staff members of the organization here yesterday, reviewing matters that had accumulated through the summer months. No action, it is said, was taken with respect to home automobiles or trailers, the staff committee being directed to continue exploring the general subject.

U. S.-Mexico Auto Theft Pact

NEW YORK, Oct. 7.—Subject to formal signature by both the United States and the Mexican governments, an agreement has been effected whereby automobiles, airplanes or their accessories stolen in either country and trans-

ported to the other will be returned to the country from which they are alleged to have been illegally taken. The agreement, which is similar to that with the Canadian government, has been urged by the National Automobile Theft Bureau for several years and company officials are highly gratified at the result. Southern California particularly has suffered through the theft of cars in recent years, machines being picked up in Los Angeles, San Diego and other border cities and rushed across the line, where recovery was almost impossible.

Takes Pearl Representation

The Western General Agency, 333 South Wells street, Chicago, has been appointed by the Pearl as general agent for automobile fire and theft and inland marine lines in Chicago and Cook county. L. S. Hanchek, well known insurance man of 21 years' experience, is manager of the agency. The office is preparing to develop brokerage and sub-agency business again, a field in which some time ago it was very active. William Korb is in charge of this department, being underwriter and associate in the agency. The inland marine business for the Pearl will be placed through Alan H. Bonito & Co., which manages that division for the Pearl.



FIRE ASSOCIATION OF PHILADELPHIA

ESTABLISHED 1817

LUMBERMEN'S INSURANCE COMPANY

ESTABLISHED 1873

THE RELIANCE INSURANCE COMPANY

ESTABLISHED 1841

PHILADELPHIA NATIONAL INSURANCE COMPANY

ESTABLISHED 1923

OTH O E. LANE, President

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Toronto New York

FIRE, MARINE AND AUTOMOBILE INSURANCE

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EDITORIAL COMMENT

Woodworth's Soul Goes Marching on

THAT was a pleasing and moving part of the last session of the NATIONAL ASSOCIATION OF INSURANCE AGENTS Friday morning at Pittsburgh when GEORGE D. MARKHAM of St. Louis, third president of the organization and one of its founders, took the floor following the awarding of the WOODWORTH Memorial prize to ALLAN I. WOLFF of Chicago for having performed the most outstanding work for insurance during the year. Mr. MARKHAM and Mr. WOODWORTH were closely allied in the early days of the association. They stood as the two towering oaks in the forest. They were men of signal ability, sincere, conscientious.

Mr. MARKHAM referred in a feeling way to his old associate, saying that Mr. WOODWORTH was a decidedly handsome man. With his shock of gray hair, his beaming eyes, his august bearing and kindly expression he carried weight. There was something most lovable about Mr. WOODWORTH. He was a man of force and robustness, sympathetic, amiable, genial and yet determined. He did yeoman service for the NATIONAL ASSOCIATION OF INSURANCE AGENTS at a time when its future was most uncertain.

After his death those of his own day who knew him, had affectionate regard for him and appreciated what he had done for the organization concluded that his influence should not be lost. Today but a handful of those who attend the meetings came in contact with Mr. WOODWORTH. He is a name that they see on the list of presidents. He is just one of the founding fathers.

Mr. MARKHAM was chosen as chairman of a committee to prepare some memorial for Mr. WOODWORTH that would be worth while. The committee gathered together a sum and decided that the memorial should be given each year to that member of the association outside of the executive committee who did the most outstanding service for insurance. It is a significant honor and great tribute when this is awarded. Mr. MARKHAM declared that as a man has this on his desk and looks at it from day to day in the tenseness of business life, he cannot help but pause now and then and have an emotional thrill as he recalls Mr. WOODWORTH and knows that the spirit of that splendid association worker is still marching on.

Code for Office Workers

THE treasurer and chairman of the finance committee of OHIO FARMERS INSURANCE COMPANY, PRICE RUSSELL, is a man of long experience, having been executive secretary for GOVERNOR JAMES COX, GOVERNOR VICTOR DONAHAY during their terms in office, as well as one time commissioner of insurance of OHIO, and for many years chairman of the OHIO state board of pardons.

Mr. Russell is now spending his entire time at the home office of Ohio Farmers in LeRoy, O., and some time ago he distributed a set of rules, or rather working code, for office workers. The code, which contains valuable advice for not only the employe, but the executive, is:

If not busy help some one else.

Let us be sociable, sympathetic and helpful and thus show that we are the highest type of animals.

Let us use short words in speech and writing—as many Anglo-Saxon words as we can.

Paul wrote to the Corinthians: It is required in stewards that a man be found faithful. And that means us.

This old one should be found in every code: Honesty is the best policy.

Let us be friendly with those about us; at the most life is very short.

Be kind to boys and girls. They will be men and women soon and some of them will step out ahead of you.

It is not what we get; it is what we give that makes life beautiful.

If we do all the little things well today somehow, some way, the big things will go over, too.

Money is a big means but it should not be the whole objective.

A paradox, of course, but we double our joys by dividing them up with those about us.

One ought to be diplomatic but it should not lead to compromise with wrong doing.

Remember that the comers are those who do things better today than they did yesterday.

Let us not be too harsh in judging the other man. From his viewpoint he may be right, too.

Don't be scared over a small mistake. All hustlers make some.

When a man reaches the point where he thinks he is indispensable it is time to can him. His usefulness is over.

A good talker is one who doesn't talk too much.

All men are susceptible to flattery—but you must be the doctor and administer the right dose at the right time in the right way.

One should be slow, very slow, to say it but there are times a self respecting chap should tell the other man to go to.

Among the few treasures that can-

not get away from us are the memories of the little things we have done to help other folks.

Webster says that trust is a "special reliance on presumed integrity." Let us not forget that all of our thousands of

policy holders are relying on our integrity today.

Don't be a "yes man," but say "no" courteously.

The quality of the words we use is more important than the quantity.

Listen to the Voice of Youth

WHEN the NEW JERSEY ASSOCIATION OF UNDERWRITERS was awarded the SPARLIN cup at the Pittsburgh meeting of the NATIONAL ASSOCIATION OF INSURANCE AGENTS that goes to that state association which had rendered the most outstanding service to the American agency system during the fiscal year, the presiding officer called attention to the fact that the New Jersey body is manned and directed quite largely by a younger group of agents who are enthusiastic, energetic and desirous of accomplishing things for the good of the business.

This undoubtedly does account for the New Jersey achievement to a large extent. No one can attend the meetings of this state body without recognizing the warmth

and earnestness manifested at the business sessions. The young men get behind a movement and see that it is carried through. In some organizations the dominance of the elder statesmen is entirely too strong and the voice of youth is unheeded. We would not say that the NEW JERSEY ASSOCIATION OF UNDERWRITERS is dominated by the youth movement. While the young men are conspicuous in the administration, there are older heads in New Jersey whose counsel is heeded. There is a happy combination in that state where the older men recognize the value of listening to the voice of youth. The younger men appreciate the fact that experience and age are worth something in administrative work.

PERSONAL SIDE OF BUSINESS

The Great American has presented to Horatio Clayton, an agent at Spring Lake, N. J., a silver pitcher suitably engraved in recognition of his many years of service. He was appointed an agent for the Great American Sept. 20, 1907. C. V. Munier of Atlantic City, special agent, made the presentation.

Raymond Stebbins of Denver is getting along nicely after an operation at Fitzsimmons Hospital. He has been away from his duties at the Mountain States Agency for about two months, but it is hoped that he will recover from the operation and be able to resume work in a few weeks.

Neare, Gibbs & Co., Cincinnati, will resume a series of 15-minute weekly radio broadcasts at 7:30 Tuesday evenings beginning Nov. 3 for 26 weeks, over station WKRC. The broadcasts were discontinued for the summer. They are devoted to various aspects of home decoration and were popular last spring, the talks being made available in booklet form for those who wished copies. The talks will be given by B. A. Thompson, one of the agency associates, with G. W. Neare announcing.

John W. Longnecker, manager of agency development and editor of the Hartford Fire, was reelected president of the Monarch Stamp Club, composed of the philatelists of the Hartford Fire and Hartford Accident. William Jerin is vice-president and William Downs, secretary-treasurer.

Robert S. Boothroyd, Ithaca, N. Y., agent, is now on the road to recovery from a severe attack of infantile paralysis. He had been confined to Memorial Hospital in Ithaca for several weeks, returning to his home Monday of this week where it is expected he will be confined in bed for six or seven more weeks. Mr. Boothroyd is widely known

as a musician. He was scheduled to appear before the New Jersey Association of Underwriters' annual meeting but his illness prevented his appearance. Last year he entertained at the convention of the National Association of Insurance Agents in Rochester.

David Goldman, Rochester, N. Y., agent, was called home from the convention of the National Association of Insurance Agents in Pittsburgh by the death of his father.

After spending several weeks in this country, Oscar Carlson, assistant fire manager of the Pearl of London, arrived home Oct. 6, having sailed from New York on the "Berengaria" last Wednesday.

J. A. Kelsey, president Standard of New York and U. S. manager of the Tokio, visited Pacific northwest agencies.

James Slocum, secretary of the Pioneer Reserve Mutual Fire of Detroit, and one of the most enthusiastic fire preventionists in the central west, died last week. He was an enthusiastic and ardent advocate of fire prevention on the farm for many years. He was founder and publisher of a periodical, "Farm Fire Prevention," which he issued.

Mr. Slocum was a member of the various farm fire protection committees. He invented a spark arrester and a fire extinguisher. In fact he was a pioneer in the spark arrester field.

During the annual convention of the National Association of Insurance Agents at Pittsburgh there were 62 persons who attended the dinner given by the Excelsior of Syracuse. President R. C. Hosmer was the official host. Assisting him in welcoming the guests were E. J. Cole, Fall River, Mass., chairman



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of the board of the Excelsior, and former president National Association of Insurance Agents; F. P. O'Connor of Lima, O., vice-president of the Excelsior, who is president of the Ohio Association of Insurance Agents; F. H. Witmeyer, Gordon Tyler and R. C. Hosmer, Jr., Excelsior field men. There were a number of prominent local agents present from various sections.

Mrs. A. R. Gibson, Columbus, O., wife of the state agent of the Hanover was badly hurt in an automobile accident there.

Mrs. John H. Thomson, wife of the former special agent of the Millers National in Ohio, died following an operation for appendicitis in a hospital in Columbus a few days ago. Mr. Thomson's father is E. O. Thomson, state agent North British & Mercantile, Cleveland.

P. J. Moriarty, manager Detroit metropolitan department North British & Mercantile fleet, Oct. 1 completed his 34th year with the group and his 45th year in insurance business. He began in 1891 with the Palatine's western department in Chicago, going to the Liverpool & London & Globe in 1899. In 1902 he joined the western department of the North British in Chicago, and when it was discontinued in 1910 became special agent for the Commonwealth in Michigan and Ohio, working out of Detroit. He became Michigan state agent for the entire fleet in 1916 and has managed the Detroit metropolitan department since it was established in 1922.

John H. Burns, Jr., president of the Wichita (Kan.) Insurers, has been named second vice-president of the Wichita Kiwanis Club.

Mrs. B. F. Flood, wife of the welder of the Ohio Blue Goose, who is with the Royal-Liverpool groups, was badly hurt in an automobile accident in Columbus. She is believed to have suffered internal injuries.

A welcoming dinner was given to Commissioner **Ray Murphy** of Iowa by employes of the insurance department on his return to the department after a year's leave of absence as American Legion national commander.

A son has been born to **L. U. Jeffries**, warden of the Ohio department of insurance, and Mrs. Jeffries. This is their second child, the other being a girl.

A splendid feature of the get-together dinner of the National Association of Insurance Agents at Pittsburgh was the turning off of the lights and the marching in of waiters with the ice cream encased in blocks of ice, electrically illuminated. On each cake there were cut letters so that as the 20 waiters selected for this procession passed by the illumination spelled "Happy Birthday—Eleanor." The orchestra was playing "Happy

Birthday to You" and the audience joined in the song. Eleanor is **Mrs. Charles F. Liscomb** of Duluth, wife of the new chairman of the executive committee, whose birthday anniversary occurred on that day. When the first part of the procession moved in, the audience thought that the birthday song was being rendered in tribute to the National Association of Insurance Agents, which was celebrating its 40th anniversary. However, it was designed for Mrs. Liscomb, a woman of great charm, who adds much to these conventions.

Dewey Johnson has resigned as deputy insurance commissioner of Minnesota to devote all his time to his campaign for a seat in Congress from a Minneapolis district. No successor has as yet been named.

F. M. Avery of San Francisco, Pacific Coast manager of the Fire Association group, was in Chicago Monday en route to the home office in Philadelphia.

Roy C. Vanderhoof celebrated his 45th anniversary of service with the American of Newark Oct. 5. He joined the company in 1891 as an office boy and was appointed cashier in 1906. He was elected assistant secretary and assistant treasurer in 1914 and now in charge of the local and brokerage department. For about three years he was fire commissioner of his home town, Ocean Grove, N. J., during which time he revised the town's fire protection, so as to conform better to underwriting principles.

R. M. Chandor, 52, of Indianapolis, editor and publisher of "Insurance Decisions," died there after an illness of two months. An operation undertaken nearly two weeks ago was not successful and he lingered in a semi-conscious state until the end.

Mr. Chandor had been in the insurance publishing business for many years. In 1905 he joined C. C. Hine's Sons Co., then publishers of "The Insurance Monitor" and "The Insurance Law Journal," and in the following year he was made manager. He continued in that capacity until 1922 except for one year in which he opened an eastern office for THE NATIONAL UNDERWRITER. In 1910 Mr. Chandor also took complete charge of the editorial work on "The Insurance Law Journal."

The Underwriters Protective Association, afterwards the Underwriters & Credit Bureau, was also controlled and operated by the Hine family from 1878 until it was taken over by the National Board of Fire Underwriters in 1928. In 1919 Mr. Chandor became vice-president and manager of the service bureau, and accomplished its reorganization.

Although not a lawyer, he became an authority on insurance law and, for many years digested legal insurance cases for the Hine firm and some years ago started his own publication, "In-

urance Decisions," which later was combined with the "Insurance Digest," published by the Rough Notes Company at Indianapolis, and removed to that city.

Studied by Finance Group

Recognition of the growing popularity of automobile house trailers was given at the annual convention at Hot Springs, Va., of the National Association of Sales Finance Companies of Chicago. The house trailer from a financing standpoint was the chief subject of discussion at one of the round table sessions, and it developed that the problems facing finance companies are very similar to those facing insurance carriers. It was pointed out that experience on automobile trailers is as yet so negligible that no satisfactory method of handling them could be worked out immediately. The belief was also expressed that estimates of the number of house trailers now in use are somewhat exaggerated, and even

New Commander Attends the Pittsburgh Meeting

In the lobby of the William Penn Hotel, Pittsburgh, last week during the convention of National Association of Insurance Agents, the new commander of the American Legion, H. W. Colmery of Topeka, was introduced by John Hall of the National Bureau of Casualty & Surety Underwriters, he being a distinguished legionnaire himself. Commander Colmery was fresh from the Legion convention at Cleveland. He is an attorney and his firm handles many insurance cases.

200,000 is thought to be high.

Charles H. Curtiss, who operates his own agency at Kenosha, Wis., and **Mildred L. Bull**, Elgin, Ill., were married.



Right now it's a good season . . . a good year . . . a good time to start selling Reliable Fire Insurance for business is on the incline . . . more insurance is being bought . . . and there's success and profit for the wide-awake representative who recognizes this company for its reliability, financial stability, and prompt payment of every honest claim. Write for details.

Wm. F. Kramer, Secretary.



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SEATTLE
TULSA

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wisconsin Rule Book Change

Rating Bureau Sends New Filings to Companies and Agents; Several Amendments Included

The Fire Insurance Rating Bureau of Wisconsin is sending this week to companies and agents new rule book filings. They include revision of pages of the abstract of schedules affecting forest products rates; a letter calling attention to the new dwelling and household furniture form, loss payable clause and the new farm property tornado and hail rider; rulings recently issued by the bureau affecting pro-rata term insurance, use of revised co-insurance credits and supplemental contract; rulings and interpretations of farm schedules.

Amendments to the Wisconsin rule book include the fallen building clause waiver, a new rule providing a clause and charge when it is desired to assume liability for damages by fire following the fall of a building from a cause other than fire. The rules governing inherent explosion coverage have been revised to provide a new clause to apply to public service corporations. This clause contains a \$100 deductible provision to correspond to the similar deductible provision in electrical apparatus clause "B," which applies to this class of property.

Under use and occupancy insurance, new pages contain rules governing the new agreed amount endorsement which is to be used in connection with the contribution U. & O. form, applicable to all mercantile and non-manufacturing risks.

Indiana Convention Plans Set

Informal Discussion and Banquet on First Day—Clyde Smith and McClain to Talk

INDIANAPOLIS, Oct. 7.—The program of the annual meeting of the Indiana Association of Insurance Agents to be held in Marion, Ind., Oct. 15-16 is shaping up. On Thursday afternoon there will be an informal assembly of agents without special advance designation of topics. Thursday evening there will be a banquet. The principal speaker is not yet announced.

Friday morning there will be three features. Clyde B. Smith, Lansing, Mich., past president of the National association, will follow up the theme developed at the National association meeting in Pittsburgh, "Life Begins at Forty," discussing the present and future of local, state and National association work and activities. Commissioner McClain of Indiana will discuss the insurance department's program on the licensing of agents in 1937. A skit will be put on by a field man and a local agent, not yet named, to bring out in a convincing and descriptive dialogue just what is planned and is being done by the new Business Development Office.

Executive Session

The afternoon session attendance will be confined to members and matters of direct interest to them will be discussed including local board membership, the possibility of publishing a bulletin and similar topics. The election of officers will follow committee and other reports.

Probably the most important action to be taken at this afternoon session will be the vote of the state association "in convention assembled," according to instructions in the resolution passed at the

National convention, on the subject of retrospective rating for workmen's compensation insurance. Indiana was one of the states whose officers and executive committee voted against the measure at a meeting held last spring. Whether there will be a change of heart when the matter is put up to the association as a whole will be awaited with interest, particularly as Indiana will be one of the first states to vote upon the subject following the instructions laid down at Pittsburgh.

Wisconsin Program Is Given

Annual Meeting of the Local Agents of the State at Kenosha, Oct. 14-15

The Wisconsin Association of Insurance Agents will hold its annual convention at the Elks Club in Kenosha Oct. 14-15. The program is as follows:

Wednesday, Oct. 14

Convention called to order at 1:30 p. m. by President Hugh Bird.

Address of welcome, A. N. Gall, president Kenosha Association of Insurance Agents.

Response, Charles Hejda, Manitowoc, chairman state executive committee.

Report of the administration, Hugh Bird, Beaver Dam, state president.

Report of secretary-treasurer, J. G. Grundle, Milwaukee.

Address, "The National Association," Walter H. Bennett, secretary National Association of Insurance Agents.

Address, "The Agents and Public Liability," O. B. Sullivan, claim attorney Aetna Casualty & Surety.

Address, "Insurance Seen from the Side Lines," William Alberg, insurance attorney, Madison, Wis.

Thursday Evening

Annual get-together dinner at Elks Club, Fred J. Lewis, Milwaukee, national councillor for Wisconsin, toastmaster.

Presentation of "Logic in Action," a business playlet produced by Roy L. Nicholson, Wisconsin state agent Michigan Fire & Marine, assisted in the cast by Freeman Guerin, T. Z. Clayton and Robert Elsner, Milwaukee local agents, with Ralph Martin as stage manager.

Thursday, Oct. 15

8:30 a. m.—Local Board Breakfast Conference, Gerry Pauly, Sheboygan, chairman. This conference will continue until 10:45 a. m. at which time the second general session of the convention will open.

General convention session. Address, "Farm Insurance," Dennis C. Smith, executive special agent, America Fore.

Address, "The Organization of the State into County Units," Thos. Larkins, Hartford Fire, president Wisconsin Fire Underwriters Association.

Report of national councillor for Wisconsin, F. J. Lewis, Milwaukee.

Reports of committees.

Unfinished business.

Election of officers.

New business.

Adjournment.

Buffet luncheon arranged by state association.

U. of Wisconsin Sponsors New Course in Milwaukee

MILWAUKEE, Oct. 7.—With a registration of more than 60 employees of local agencies, stock and mutual companies and the Fire Insurance Rating Bureau, the new property insurance course inaugurated by the extension division of the University of Wisconsin here has met with wide interest.

Because of the large number of registrations, it has been necessary to in-

augurate bi-weekly classes on Mondays and Fridays, instead of the original weekly class on Friday evenings. Charles J. Timbers, superintendent of service Fire Insurance Rating Bureau and formerly associated with the Wisconsin insurance department, is in charge as instructor.

The course is sponsored by the educational committee of the Milwaukee Board, consisting of L. C. Hilgemann, president; Val Gottschalk, Fred J. Lewis, Monroe Porth and William Koch. The Insurance Institute of America also is co-operating. The present course is for 26 weeks and is being given in the assembly room of the Milwaukee Board in the Mitchell building. It is planned to lead to examinations given and supervised by the Insurance Institute in spring.

Suit Involves Payments to a Former Special Agent

ST. PAUL, Oct. 7.—The Detroit Fire & Marine's suit for \$18,323 against the First National Bank of St. Paul has been postponed until next month.

The company is endeavoring to recover this amount from the bank on the ground that it cashed alleged forged drafts presented by its former special agent, George A. Roberts of St. Paul, who committed suicide. The bank in its rejoinder contends that as the insurance company had paid all the drafts after they passed through the bank, it ratified Mr. Roberts' action.

The Detroit F. & M. in its complaint states that between July 27, 1929, and March 19, 1935, Mr. Roberts drew 67 drafts in settlement of claims against the company. The company declares that Mr. Roberts endorsed the drafts with the names of the payees, collected the various amounts and deposited the money to his own account. The company, therefore, claims the bank was negligent in cashing the drafts. It contends that these alleged losses never occurred.

Seek to Hear General Case in Michigan Before Master

SEATTLE, Oct. 7.—General of Seattle declares that the inference that it had lost a point in its fight in Michigan for deviation of rates is not true. The company contends that it actually won, as the court held the litigation was proper in the federal court and that a declaratory judgment was the proper method. The commissioner's plea to dismiss was denied, which seemed to have been the main issue in the hearing.

The court further held that it would not issue a declaratory judgment on pleadings and affidavits but would decide that matter only after a hearing before special master. The General states that it will ask the appointment of a special master and such a hearing.

LANSING, MICH., Oct. 7.—S. S. Greenberg, assistant attorney-general representing Commissioner Ketcham of Michigan in the litigation instituted by the General of Seattle in an effort to force reacceptance of a 20 percent deviation filing on fire business written in this state, has submitted to Federal Judge Moinet at Detroit an order to dismiss an order to show cause issued against the commissioner and to decline the entry of a declaratory judgment as petitioned for by the company. It is proposed to leave the matter open for trial on its merits, probably before a master in chancery designated by Judge

Moinet. It is understood by the interested state officials that the company wishes to carry the issue to trial.

In his new brief Mr. Greenberg stressed the fact that the deviation was improperly filed in the first place, in that it failed to specify the class of business to which it applied, that it would tend to upset the entire fire rate structure, eventually undermining the safety of the protection provided as well as discriminating against other companies, and that general rate reductions subsequent to approval of the deviated filing made the filing wholly unjustifiable.

Cleveland Fete Big Success

CLEVELAND, Oct. 7.—Over 2,000 insurance people, members of their families and guests attended "Insurance Day" at the Great Lakes Exposition. Practically all Cleveland insurance offices closed at noon. The Gale Company and the Cleveland Insurance Agency entertained their entire office force at dinner. A large number of insurance men from downstate, who had not previously seen the exposition, brought their wives and families.

The focal point for all insurance men was the Ohio building, where a special insurance exhibit had been arranged by Superintendent Bowen of Ohio. In addition to Mr. Bowen, his assistants Raymond Rhodes, J. U. Jeffries, and several others from the department were present.

In the evening Mr. Bowen was honored at a dinner tendered by the presidents of the local and state associations supporting Insurance Day.

Insurance Day was also Blue Goose International Day as well and over 200 attended the Blue Goose dinner. There were no speakers and the affair was entirely informal.

Ohio Convention Plans

COLUMBUS, Oct. 7.—A meeting of the trustees of the Ohio Association of Insurance Agents will be held here the evening of Oct. 26, prior to the opening of the annual state convention the following day. The convention proper will open at 1:30 p. m. Oct. 27. Walter H. Bennett, secretary National Association of Insurance Agents, will speak at that time. A get-together banquet will be held in the evening, and officers will be elected the afternoon of the second day. Among the subjects to be discussed at the convention will be the casualty situation, the insuring of financed automobiles and legislation.

Illinois Directors to Meet

The directors of the Illinois Association of Insurance Agents will have a meeting in Chicago Friday afternoon of this week. At that time, a decision will probably be reached on the time and place for the annual meeting. The chances are that this meeting will be held about the middle of November.

At the Pittsburgh convention of National Association of Insurance Agents, Illinois President F. J. Budelier obtained a commitment from Paul L. Haid, president Insurance Executives Association, to address the Illinois meeting.

Check Gasoline Stations

LANSING, MICH., Oct. 7.—Following a disastrous explosion which completely wrecked a gasoline station and tire store at Flint, fire departments in many cities throughout the state have been making inspections of gas station hazards. The Flint explosion and fire was fatal to two persons and a number of others suffered injuries,

some serious. The loss was \$90,000. The blast, in the heart of the business district, shook office buildings and momentarily terrorized hundreds of persons. It was determined that a boiler in the basement had set off the vapors from a quantity of gasoline that had been poured down a pipe into the basement by a maintenance man who, in testing a pump, thought he was returning gasoline to the tanks.

The subsequent inspection campaign has disclosed many structural flaws and unsafe practices, it is claimed. There have been some other minor explosions at gas stations, many of them caused by the development of leaks in the underground tanks which allowed the explosive fuel to seep away into basements or sewers.

Kansas Meeting Under Way

WICHITA, KAN., Oct. 7.—Some 500 local agents, field men and company representatives are attending the annual convention of the Kansas Association of Insurance Agents in Wichita this week. The executive committee, headed by Harry O. Tinklepaugh of Kansas City, is holding its meeting this afternoon, followed by a banquet in their honor tendered by the Wichita Insurers.

Detroit Board Booklet

DETROIT, Oct. 7.—The Detroit board of fire commissioners has issued an eight-page booklet entitled "Fire—Prevention of Fire and Facts About Fire," an eight-page leaflet written by G. S. Goldwater, Detroit fire marshal, which is being widely distributed by the board and also by agencies and companies in this territory in connection with Fire Prevention Week.

Israel Gives Radio Talk

Robert E. Israel, Wichita, Kan., local agent, who is mayor of Wichita, inaugurated the Fire Prevention Week program in Wichita with a radio talk Sunday night, the first of a series of daily broadcasts by prominent citizens. Mr. Israel also issued an official Fire Prevention Week proclamation.

Missouri Issue Confused

Insurance Superintendent O'Malley and the fraternal, as a political campaign issue in Missouri, became further confused with the statement on the part of J. W. Barrett, Republican nominee for governor, that his Democratic opponent, L. C. Stark, had made a "secret" promise not to reappoint Mr. O'Malley

as insurance superintendent. Barrett said that he had been given this information by a "high official" of the Modern Woodmen. Before the primaries the fraternal were unable to get commitments from Stark that he would not reappoint Mr. O'Malley.

Stark denies that he has made any such promise. He did say that he would assure the fraternal societies a fair deal. He said he is opposed to taxing any properly conducted fraternal society that is not operated on a profit basis.

Mr. O'Malley states that in addressing the annual meeting of the Missouri Association of Insurance Agents Thursday of this week he will make a reply to some of the charges that Barrett has made.

Nebraska Hail Fund Report

LINCOLN, NEB., Oct. 7.—The state hail insurance bureau is getting ready to close its books for 1936. Two losses where the amount involved is less than the premium due remain to be adjusted. Because of failure last year to pay even a third of the losses incurred, but 50 policies were sold this year. Total losses were \$1,290, and the premium income was a little in excess of \$1,900.

Ancient Policies Turn Up

When a deed to some property acquired by the City of Cincinnati for the new Columbia avenue viaduct was turned over to it, the city came into possession of several old documents written in German along with the deed. The chief paper was an insurance policy insuring a two-story frame house for \$820 issued by the Deutsche Gegen-seitige Versicherungs Gesellschaft von Cincinnati or German Mutual Insurance Society of Cincinnati, June 13, 1870.

Templin with Kansas Bureau

John F. Templin, schedule expert with the Western Actuarial Bureau for many years and assistant manager at the time of his resignation last year due to ill health, has joined the Kansas Inspection Bureau organization at Topeka under W. C. Hodges, manager. Mr. Templin's health is greatly improved after several months' rest at his home in Nebraska City, Neb., where his mother operates a local agency, and he desired to get back into the harness.

Charges Coercion Is Used

Congressman Lamneck of Columbus, O., has threatened to expose the activities of a Columbus legal firm, which he states has an insurance connection and which he alleges is attempting to coerce premiums from HOLC borrowers. The congressman refused to name this firm.

He said that about 20 borrowers have filed complaints. The method, he charged, is for a representative of the legal firm to call on the borrower, threaten that unless the insurance is placed as directed, the loan will be canceled.

Horner Insurance Luncheon

The Illinois Insurance Committee, which is working in behalf of the reelection of Gov. Horner, announces there will be a luncheon rally for Horner in the Hotel Sherman Oct. 22. On the program, in addition to Horner, will be Ernest Palmer, director of insurance. A special guest will be State's Attorney Courtney of Cook county. The committee is extending an invitation to agents, brokers, and company representatives to attend. The committee chairmen are: C. E. Nolan, general chairman; Fred C. Bracken, publicity; A. E. McKeough, arrangement and seating; Roy L. Davis, ticket.

The Illinois Insurance Committee has released for distribution a 12-page illustrated booklet, "The Insurance Department Under Governor Horner."

Roy L. Davis is being interviewed over the radio by J. Hawley Wilson, Peoria, from Station WMBD Thursday evening on "Protecting Policyholders." There will be a statewide hookup. This broadcast is on the evening preceding the annual sales congress of the Illinois Association of Life Underwriters.

Self-Insures Old Buildings

MADISON, Wis., Oct. 7.—Mayor Law has revealed a tentative plan that older frame structures owned by the city are to be insured in the city insurance fund when the present policies in private companies expire next September, but that the newer buildings would continue to be insured by present private carriers. The policies would be renewed for a total of \$284,000 instead of the present \$400,000, both exclusive of school buildings which are insured separately by the city board of education.

New Rate Books in Illinois

Rate books were published by the Illinois Inspection Bureau during September for: Baylis, Chambersburg, Detroit (class changed from 8 to 7), East Dundee, Nashville (class changed from 8 to 7), Neoga, Sterling (class changed from 6 to 5).

Mutual Golf Tournament

The Mutual Fire & Casualty Association of Northwestern Ohio had a golf tournament and banquet at Toledo. E. A. Gernerchak, Toledo adjuster, won the high golf prize. President W. D. Pearce of Fremont, O., presided.

IN THE SOUTHERN STATES

Virginia Rate Reduction on Canning Factories Is Asked

RICHMOND, Oct. 7.—The Virginia corporation commission has been asked to determine whether there should be a reduction of 50 percent in rates on canning factories and warehouses in that city as well as a change in the rules and regulations governing the writing of such coverage. In a petition filed by A. B. Garner asking the reduction in rates and changes in rules and regulations it was proposed (1) to set up basic rates which will provide a normal loss experience for insurance companies; (2) to make a charge and give credit letting each property stand on its own merit; (3) to adopt a rating schedule that will give an assured incentive to improve his property; (4) to remove the charge for elimination of the three-fourths value clauses by establishing property basic rates; (5) to eliminate discrimination through short rate, cancellation between assureds by allowing use of property form policy regardless of the number of locations. Hearing on the petition is set for Nov. 19.

A similar petition has been filed by Raymond L. Haynie asking for reduction of 50 per cent in rates on fish scrap and oil factories or such other figure as the commission may find necessary to establish rates which are reasonable, fair and adequate. Hearing on this petition is set for Nov. 21.

Organize Altus Exchange

The Altus Insurers Exchange, Altus, Okla., has been organized with R. M. Thorp, president; E. L. Garnett, vice-president, and Carroll Spangler, secretary.

"Chats" with Employees

J. D. Saint, manager Oklahoma Association of Insurers, has mailed to employees of members, the first of a series of "chats." This is in the form of a mimeographed letter. He urges the em-



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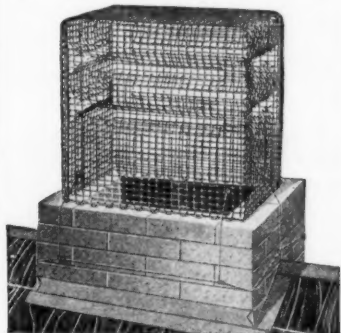
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ployes to be efficient, to have a cheerful mien and to attempt to improve themselves generally.

Arkansas Losses Increasing

LITTLE ROCK, ARK., Oct. 7.—Steadily increasing fire losses for Arkansas are shown in 1936 reports. For the first nine months of the year they totaled, \$3,058,663 against \$2,041,661 in 1935. The September total was \$216,075 against \$179,000 in September, 1935.

King Joins Snyder

LOUISVILLE, KY., Oct. 7.—Snyder Brothers General Agency has announced that C. D. King, formerly with the Henry Clay Fire of Lexington, Ky., will join the company as secretary-treasurer in charge of all company accounting.

Alabama Line to 100 Agents

MONTGOMERY, ALA., Oct. 7.—The state's fire insurance for one year, amounting to \$9,886,840 over and above that carried in the state insurance fund, will be divided equally among 100 agents over the state, the state board of administration announces. The total premium is \$71,531.

PACIFIC COAST AND MOUNTAIN

Recommendations for City

Junior Chamber of Commerce of San Francisco to Make Some Definite Fire Prevention Suggestions

SAN FRANCISCO, Oct. 7.—A program aimed to bring about better fire protection in San Francisco was presented to city officials and civic leaders at a luncheon by the fire prevention committee of the Junior Chamber of Commerce. It was the opening affair of the annual fire prevention week activities of the organization.

The program calls for revision of local fire legal procedure, to bring about a clearing house for issuance of permits by the various city departments having to do with various phases of buildings and occupancies, such as the building inspection, fire prevention bureau, health department, department of electricity, etc. It also calls for codification of all laws pertaining to safety of the people

from the fire hazard with the view of elimination conflict of opinion, authority and existing local ordinances under which the various departments function.

It also calls for legislation for sprinkler or automatic fire alarm systems in apartment houses, hotels, lodging houses, etc., of Class C or frame construction, and two additional aerial ladders for the fire department.

In presenting the program to the meeting Evans Taylor, chairman of the fire prevention committee also suggested that city officials adopt a more stringent attitude toward enforcement of existing laws, particularly the fire escape provisions of the building laws in respect to providing means of reaching the street level from balconies of fire escapes. A number of city officials present expressed general approval of the plan.

Utah Speakers Are Announced

Insurers Association of State Will Hold Its Annual Convention Next Saturday in Salt Lake City

SALT LAKE CITY, Oct. 7.—At the annual meeting of the Utah Association of Fire & Casualty Insurers here Saturday there will be two business sessions, morning and afternoon, followed by a banquet and entertainment in the evening. Denzil Brown, Provo, president of the association, will preside. A large attendance is expected.

Speakers will include W. H. Menn and Eugene Battles of Los Angeles, representing the National Association of Insurance Agents; Commissioner E. A. Smith, Jr., E. Virgil Norgon, Salt Lake City; H. W. Nason, assistant secretary America Fore group; Fred A. Moreton, Salt Lake City, national councillor for Utah, and Kurt L. Daniels, marine department Automobile of Hartford, San Francisco. There will be a general discussion of the fire insurance business in Utah. The fire film, the "Bad Master," will be shown.

This association was formerly known as the Utah State Association of Insurance Agents, the new name being decided upon only a year ago in order that the public might not confuse it with groups engaged in other forms of insurance.

Insurance Loss Is \$400,000 in Severe Fire at Bandon

BANDON, ORE., Oct. 7.—Adjusters estimated the insurance loss in fire ravaged Bandon, at \$400,000.

Of the residence loss, 70 percent was believed covered by insurance, along

with 30 percent of damaged business buildings. The bulk of public buildings was not covered.

A temporary office in charge of W. J. Moe, Portland manager of the Fire Companies Adjustment Bureau, was erected amid the charred skeletons of Bandon's business district, paying losses with full sight drafts.

Frank W. White, general adjuster Fireman's Fund, San Francisco, is in Bandon rapidly making adjustments and paying losses to the sufferers. He established his office with nine assistants at the firehouse and quickly rounded up his policyholders. The company has approximately \$150,000 of liability in the affected area.

To Strengthen Brokers' Law

SAN FRANCISCO, Oct. 7.—Indications are that the San Francisco Insurance Brokers Exchange will seek amendments to the brokers' qualification law at the coming session of the legislature. It is understood consideration is being given to the personnel of a committee which will make a study of the present law with a view to proposing amendments which will place more rigid requirements in the code. It is understood the exchange plans to give attention to the further encroachment of banks into insurance.

Discuss Auto Contracts

SPOKANE, WASH., Oct. 7.—The Spokane Insurance Agents Association discussed new automobile contracts at its meeting.

Brokers to Attend Agents' Meet

SAN FRANCISCO, Oct. 7.—To coordinate more closely the activities of brokers and agents in California, the officers of the Insurance Brokers Exchange, headed by Stephen Malatesta, president, will attend the annual convention of the California Association of Insurance Agents in San Jose Oct. 21. It is expected that a number of members of the exchange will attend, bringing the brokers' representation to well over 25.

McConnell on Pacific Coast

W. A. McConnell, United States manager of the Century, visited San Francisco last week, spending considerable time with Cravens, Dargan & Fox, which organization represents his company on the Pacific Coast. Kemp S. Dargan of Houston was also a visitor at that agency.

Corroon & Reynolds Broadcasts

For the fourth consecutive year, the Corroon & Reynolds group was host at its San Francisco headquarters to brokers and agents at broadcast of the world series games. R. R. Chapman, the manager, was unable to take charge

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615-24 Inter-Southern Bldg.
Louisville, Kentucky

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COBB & JONES

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EARL P. TROBERT

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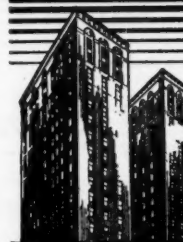
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Miscellaneous Notes

W. Guy Lane, for 13 years with the Miami Rating Bureau, has joined Lee & Frazell, Miami, Fla., taking charge of rating work.

John Ehler, who operated a local agency at West Alexandria, O., 28 years, died at his home there after a prolonged illness. He was about 70 years old.

Erie, Pa., Gallipolis, O., and Roxboro, N. C., will be entered in the inter-chamber fire waste contest conducted by the National Fire Waste Council.

of the guests at the first broadcast, as he was in Pittsburgh attending the meeting of the National Association of Insurance Agents. Therefore James Christ, assistant manager, was the official host. Refreshments were served and a sociable time was provided.

Welsh San Diego Speaker

W. P. Welsh, president California Association of Insurance Agents, who has just returned from the National association convention in Pittsburgh, will be the principal speaker at a joint meeting of the San Diego Insurance Exchange and the Insurance Agents Association of Imperial County in San Diego, Oct. 14.

Southern California Group Elects

At a meeting of the Associated Agents Committee in Southern California, held in Santa Monica, Leo L. Pinnell of Conway-Pinnell, Huntington Park, was elected president and Roy Cooper, Long Beach, vice-president. The executive committee includes C. L. Skeen, Burbank; L. J. Durfy, North Hollywood, and W. W. Robinson, San Bernardino. Fifteen southern California local associations are members of the organization.

Eastern States Activities

New Hampshire Program Out

Annual Meeting of the State Association of Insurance Agents to Be at Manchester

The program for the annual meeting of the New Hampshire Association of Insurance Agents to be held at the Hotel Carpenter at Manchester, Oct. 20, has been announced. Arthur H. Nelson of Lancaster is president and will give his report at the first session. Secretary Stewart Nelson of Concord will also give his report as will National Councillor Archie B. Gile of Hanover.

There will be two addresses the first session, which will be in the afternoon, by Follett L. Greeno of Rochester, N. Y., former president New York State Association of Local Agents, who will represent the National association, and Attorney John W. Downs of Boston, who is counsel for the Massachusetts Insurance Federation. At the banquet the speakers will be Mr. Greeno, Insurance Commissioner Sullivan and Governor Bridges.

The executive committee consists of A. B. White, Keene; G. N. Andrews, Nashua; Ralph E. Came, Rochester; R. C. Keller, Manchester; J. W. McCrillis, Newport; Stowe Wilder, Portsmouth, and H. W. Byse, Laconia.

Farewell for M. L. Robbins

M. L. Robbins of Concord, N. H., who has sold his agency to Jackman & Lang, preparatory to making his home in California, was given a farewell banquet with Commissioner John E. Sullivan, Manager J. Lawton Whitlock of the Century Indemnity in Boston and many other friends present.

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NEW YORK NEWS

R. D. McMillan Advanced

R. D. McMillan has been appointed as secretary in charge of the improved risk department of the North British & Mercantile group, succeeding the late W. D. Grier. Mr. McMillan has been associated with the North British for the past 16 years, most recently as general agent and chief aid to the late Mr. Grier. A graduate civil engineer of Cornell University, he served for 10 years with the Buffalo Board, joining the North British in 1920. He served successively as supervisor, assistant general agent and general agent of its improved risk department. He is a member of the Conference of Special Risk Underwriters, the Sprinkler Leakage and Explosion conferences.

H. J. Noble Joins American

H. Joseph Noble joined the New York City department of the American of Newark group as assistant manager. He has been in the insurance field for a number of years, joining the North America in 1910 and served through various departments to special agent. He resigned in 1922 and went with the National Liberty as special agent and later was made manager of the branch office in Baltimore, supervising Maryland and the District of Columbia.

In 1924 he went with the Norwich Union Fire and the following year was made assistant general agent of the eastern department. In 1926 he was promoted to general agent to assist the manager, and has had charge of the entire east.

SOCIETY'S SEASON LAUNCHED

J. W. Russell, president of the Insurance Society of New York, was the principal speaker at the exercises launching the 1936-37 season of the Insurance Society of New York. The lectures in the fire branch were started and prizes awarded to students in the fire and inland marine courses were presented by John J. King.

Kelly with Cravens, Dargan & Co.

W. F. Kelly will take charge of the marine department of Cravens, Dargan & Co., Houston, and will have associated with him Otis C. Coles who has been with this firm several years. For the past 12 years Mr. Kelly has been with the Home in its southern marine department, and at present is in charge with headquarters in New Orleans. He started his marine insurance experience with Cravens, Dargan & Co., several years ago.

CANADIAN

Appeal Goad's Plans Decision

TORONTO, Oct. 7.—The recent court decision upholding the right of members of the Canadian Underwriters' Association to the exclusive use of "Goad's" insurance plans, which are now the official plans of the association, will be appealed by Massie & Renwick, Toronto non-board company managers.

Winnipeg Institute Election

WINNIPEG, MAN., Oct. 7.—At the annual meeting of the Insurance Institute of Winnipeg, officers were elected as follows: Honorary president, F. C. D. Oxenham, London & Lancashire; president, C. M. Nicholls, Prudential Assurance; vice-president, T. D. Harris, Employers Liability; secretary, G. E. Budden, Western Canada Insurance Underwriters Association; treasurer, C. R. Francis, Canadian Fire. Council membe

are R. P. Simpson, Sun; J. J. Milne, Royal Exchange; D. B. Murray, Canadian Pool Agencies; F. R. McDowell, Atlas Assurance; G. J. K. Irvine, Bos-

ton; H. P. Ham, British America; G. Merry, Grain Insurance & Guarantee. Last year 112 completed the institute's course, 31 finishing the three programs.

MARINE INSURANCE NEWS

General Agents Tell Stand

Executive Committee at Pittsburgh Makes Statement on Marine Business Modifying Criticism of Stebbins

The executive committee of the American Association of Insurance General Agents, which had a session in Pittsburgh last week, gave out a statement regarding the attitude of that association towards the inland marine business. Apparently this statement was made to modify the impression that was created some weeks ago when Herbert Cobb Stebbins of Denver, secretary of the general agents association, said some harsh things about the marine business, charging that the marine people were undermining regularly established fire business. Mr. Stebbins at that time said that a survey was being made of the membership of the association to ascertain the official sentiment.

The statement given out at Pittsburgh declared that the executive committee "in informal discussion of problems and perplexities of inland marine risks, by unanimous assent gave recognition to the fact that our association neither assumes nor wishes authority to guide our companies in this developing branch of the insurance business, but on the other hand wishes better information and understanding from members to the end that we may perform more useful services therein and enjoy the larger economic returns that probably will accompany such participation and an increase in inland marine coverage. We realize that changing conditions make needful new and ever newer forms of insurance contracts to fit the varying hazards of commerce and social life, and that any marked change from old practices brings difficulty which can be solved only through the time test of further experience. Therefore we shall cooperate to the best of our ability in aiding the process of evolution in our business methods along lines of constructive progress, and in the direction of further strengthening the American agency system as an important factor in the distribution of the benefits of insurance protection to our citizenship."

Appleton & Cox Appointed

Becomes Attorney-in-fact and U. S. Manager for Century of Edinburgh in Inland Marine Line

Appleton & Cox has been appointed by the Century of Edinburgh as attorney-in-fact and manager for inland marine business in the United States and possessions, W. A. McConnell, United States manager, announces. Appleton & Cox will also represent the associated company, the Pacific Coast Fire of Vancouver, for inland and ocean marine business for the same territory, when ap-

plications for extension of licenses to cover these classes has been granted.

The ocean marine business of the Century, as distinct from the Pacific Coast Fire, will continue to be under the management and control of the Commercial Union, and its marine underwriter, William Betteridge, an arrangement which has existed for many years.

Ask Review of Marine Order

Petition Wisconsin Commissioner to Reconsider Ruling That Puts Marine Operations in Strait Jacket

MADISON, WIS., Oct. 7.—A petition has been filed with the insurance department by 135 fire and marine companies asking for a rehearing and review of the commission's order of Sept. 19, requiring marine operations to be subject to rating and stamping bureau supervision. The companies are represented by Barry, Wainwright, Thacher & Symmers of New York, and Ekern & Myers of Chicago.

The companies claim they can not comply with the Wisconsin rates on fire and tornado on the ground such rates were made only for the use of the standard fire policies.

They claim they are not bound to the provisions of the Wisconsin fire insurance rating law, saying they write fire and tornado under a marine form and that such fire and marine rates are not subject to the supervision of the Wisconsin department. They further claim the commissioner has no power to regulate fire and marine rates under a marine contract.

Marine Contracts Exempt

They contend that insurance written under a marine contract is not and never has been subject to rate regulations or other action by an insurance department in any territory or district of the United States.

They claim the order of the commissioner would cause the companies added expense for bureau service and impose upon the companies a substantial added expense in the home offices and in the operation of their business.

They further claim that it would take business from Wisconsin companies and place the same in companies unauthorized to transact business in Wisconsin. Citizens of Wisconsin, it is claimed, would pay a larger premium for the coverage under marine form than they could obtain in other states or by unauthorized companies.

The petitioners waive the requirement that a hearing and review shall be had within 10 days in accordance with the statutes and in view of the importance of the questions raised and issues presented request that the time for the hearing be arranged to suit the convenience of the commissioner.

The commissioner has submitted the

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matter to the attorney-general. It is expected that some decision will be made within the next 30 days.

Personal Property Floater Given Approval in Kansas

The new personal property floater form has been approved by the Kansas department. There are many states which have not yet approved this contract, which is prohibited under the terms of the uniform marine definition. The form has not been approved in Michigan or New York. Virginia and Delaware have definitely approved it in the east and Illinois, Minnesota and Kentucky in the middle west. Iowa and Nebraska some time ago accepted the uniform definition, then in a later action rescinded it, thus in effect permitting the writing of the personal property floater in those states. In the far west California permits its use. The form is said to be much more advantageous to assured.

Marine Men of Fireman's Fund Attend Conference

There was a conference of marine department officials and field men of the Fireman's Fund in the eastern and western departments at Uniontown, Pa., last week. F. B. McBride of New York City, manager of the marine department; J. H. McKinney and H. E. Reed, assistant managers of the department in New York City; E. D. Lawson of Chicago, manager of the western department; John Dillard, marine man in the southern department, were present and spoke. There were a number of questions involving production and agency work, especially in connection with inland marine insurance. One of the topics that elicited much discussion was the Interstate Commerce Com-

mission endorsement and rules on long haul trucks.

Pittsburgh Rally's Notable Features

(CONTINUED FROM PAGE 3)

ference. There are many issues on which they could not agree. The two sides, however, did sit down and in a deliberate way found a common topic on which they could agree and that was meeting non-stock competition. Out of these conferences grew the Business Development Office headed by F. S. Dauwalter, which is now getting under full sail and intends to produce arguments and material for agents that it is expected will be very effective. Undoubtedly this movement has been very well thought out, wisely designed, and the future has been carefully planned. Mr. Dauwalter has had an admirable training for this particular and unusual kind of work. The agents are greatly interested in what course will be pursued. Mr. Dauwalter himself acknowledged that the old time threadbare arguments used in attacking mutuals are to be discarded. They are antiquated.

Two Big Clouds on the Horizon

Probably the two big clouds on the horizon which will require not only the best thought of the agents but the companies are the growth of the cooperative movement, and secondly, wholesale buying of insurance. W. H. Bennett, secretary, in his talk referred to the increase in sentiment in favor of consumer cooperative buying as did W. Owen Wilson, the new president. A commission from the federal government is now abroad studying the success of these cooperatives in Sweden and other countries. Both Mr. Bennett and Mr. Wilson feel that when cooperative buying becomes prevalent all along the line it will affect not only retailers but manufacturers, wholesalers, distributors, etc. The aim of the cooperatives is to eliminate profit and reduce the cost of commodities and services to buyers.

Wholesale Buying

The most ominous form of wholesale buying is in automobile financing. There large finance concerns contract with a company or companies. Mr. Bennett feels that mass buying will be increased as time goes on and the practice, he believes, will spread. These two subjects are ones to ponder over.

Each day, it can be said, has its big problems. There have been just as serious obstacles in the past as now. Each generation has its own overwhelming questions before it. Eventually they are solved. It requires wisdom, knowledge, tolerance and sound judgment to meet these demands.

It is unfortunate that the Friday morning or last session of the National Association of Insurance Agents has dwindled in attendance to practically a handful of people. In days gone by Wednesday, Thursday and Friday were the busy days. There was little done before that. The conventioners arrived Wednesday morning. Now Monday and Tuesday are crammed full of activities. The executive committee starts meeting Saturday, continues all through Sunday and then Monday begins sessions with the state presidents. Therefore, when Thursday evening comes there is a great exodus. The administration will have to deal with this.

On Friday the last session with the awarding of prizes, the presentation of awards, resolutions and the election makes it one of the dramatic, colorful parts of the whole week. That should be the climax. It would seem to on-lookers that there should be reorientation of some of the program features so that Thursday afternoon will be the last session and Thursday evening therefore would see the inaugural ball with the new president and the new executive committee chairman featured.

Many feel that one of the group meetings could well be held Wednesday

evening and not interfere with any other part of the program, thus giving a full afternoon to the regular convention. The last two hours of the convention are notable in many respects and leave a lasting impression.

Whether President Kenneth H. Bair did it intentionally or not, it was fitting that Sidney O. Smith of Gainesville, Ga., and Frank T. Priest of Wichita, Kan., should have escorted Charles F. Liscomb of Duluth, the new executive committee chairman, to the rostrum when he was elected to the high office which starts him to the presidency in 1937. Here were three men of presidential timber, any one of whom could have been chosen this year and met with entire approbation. A year ago perhaps all felt that Sidney Smith would be the next executive committee chairman. He deserves it. However, business and personal considerations so weighed with him that he finds it necessary to retire from the work of the National association. Frank T. Priest discovered some months ago that in deference to his own private interests and his agency this would be his last year, at least for some time in what might be termed headquarters service. If Sidney Smith had declined to run, then the next man in point of seniority of service would have been Mr. Priest. With these two out of the running Mr. Liscomb was the logical man. Therefore, when the three men walked up the aisle it seemed most appropriate that the two who could have been chosen were escorting their esteemed comrade to the rostrum.

Retrospective Rating Plan

The discussion over retrospective rating in compensation risks left the whole issue pretty much in the air. The special committee that was nominated at the mid-year meeting at Atlanta to take a referendum among the state units as to whether they approved the action of the executive committee in approving retrospective rating resulted in a majority of states favoring the action. The special committee made no recommendation itself. There was a sharp parliamentary skirmish as to just what the status of the question was. Clyde B. Smith of Lansing moved to table the report. This brought a question of order as to whether the report could be tabled as there was no recommendation made. Mr. Smith withdrew his motion.

At the Atlanta meeting when the compensation committee report was read by W. Eugene Harrington of that city it seemed rather complicated and delegates were not able to follow it because it involved more or less technical factors. George W. Carter of Detroit and Cruger T. Smith of Dallas, the latter being on the compensation committee and bringing in a minority report, vigorously opposed the Harrington report, which the executive committee had approved. This led to the state referendum. When the committee reported at Pittsburgh, following the talk of Mr. Carter, there was considerable confusion in the minds of the agents as to just what was the proper course to pursue.

Statements Contradicted

Mr. Carter in his presentation is forceful and convincing. He made the statement that a policyholder that had a very good loss record would be given credit twice in his rating while the man who had excess losses and had to liquidate his loss out of his own pocket would be penalized twice.

Mr. Harrington was called to the front and contradicted Mr. Carter's statement. He called out William Leslie, associate manager National Bureau of Casualty & Surety Underwriters, to explain. Mr. Leslie said that in the regular rate there was no double credit or double penalty although in the experience rating used with the retrospective plan, the actual loss ratio naturally would be projected. Mr. Carter in retort said that his information had come from the actuary of one of the largest companies. There seemed to be considerable embarrassment as to just what

should be done and finally some diplomat moved that the report be received and be submitted to the different states for such action as they thought best in convention assembled.

The two chief officers of the National Association of Insurance Agents are particularly strong. W. Owen Wilson of Richmond, Va., was hoping to retire from the executive committee at the Grand Rapids meeting in 1934, owing to the press of business. Those associated with him realized that he was one of the strongest men that had come into the committee and they looked forward to his being made chairman a year later. Kenneth H. Bair, who was elected chairman at Grand Rapids, induced Mr. Wilson to remain on the committee. He has done extraordinary service for the agents at Washington, D. C., he assuming almost the entire responsibility during the HOLC negotiations and his experience and advice led to the establishment of the Washington service office of the National association with W. T. Reed, Jr., as manager in charge. Mr. Wilson has had an all-round experience, not only as a local agent but as a field man and company official. He is a man of sound judgment, possessing mental and moral strength, he is not an extremist nor ever hysterical.

Mr. Liscomb Is Popular

His right-hand man, C. F. Liscomb of Duluth, might be said to be a comparative newcomer, having entered the business in 1920. When he purchased the interest of his partner he became the sole owner of the agency. He immediately began to take interest in his local board and the state association. He was appointed on important committees in both bodies. This led to his being later president of the local board, chairman of the executive committee of the state association and then its president. When W. B. Calhoun of Milwaukee was president of the National Association of Insurance Agents he addressed the Minnesota meeting and was particularly impressed with Mr. Liscomb. He recommended that he be appointed on the national executive committee, which later was done. Mr. Liscomb is a man of very amiable and genial personality. He gets close to the hearts of people, he is very sympathetic and sincere. In his own city he is regarded as a straight, honorable competitor. He has the backing of the agents of Duluth as well as those of his state. He has exercised admirable judgment and his tenure of office on the executive committee during the last three years has proved him to be a constructive and progressive leader.

Group as to Population

At one of the group meetings discussing agency management and operation, the question was raised as to whether these groups might not be based on population rather than premium volume. This arose over the statement of some of the agents in the smaller places that small agents in small places had a different kind of competition than small agents in big cities. In group No. 1 there were some agents who lived in towns of less than 2,500 people. The discussion brought out the fact that it would be unwise to change the basis but it might be well to have a separate meeting that could be arranged for the small town people exclusively. It was generally agreed that the problems confronting the smaller agents are about the same, regardless of size of place.

Company Headquarters

Company headquarters at the Pittsburgh meeting became a very pronounced feature. There were more company officials, field men and organization officers present than ever before. This perhaps is natural because so many presidents of company organizations were invited to bring greetings. The National association administration may be embarrassed in time by the overwhelming activities of companies at these conventions.

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Present a larger and bigger opportunity to the insurance agent every year. His future in these lines depends partly on the quality of the service he gets.

Three big casualty and surety offices that are serving satisfactorily many local offices in Illinois and adjacent states are listed here. They know the territory and are in tune with its spirit.

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The Fidelity & Casualty Co. of New York

The Premier Casualty and Surety Agency of the West

Correspondence with Insurance Agents Solicited

FIELD BUILDING

CHICAGO, ILLINOIS

The NATIONAL UNDERWRITER

October 8, 1936

CASUALTY AND SURETY SECTION

Page Twenty-seven

Broad Coverage in Blanket Bonds

Six Important Forms Used for Different Purposes Expounded

by E. C. Lunt

TALKS TO JOINT MEETING

Noted Surety Expert on Agent-Company Program at White Sulphur Springs

WHITE SULPHUR SPRINGS, W. VA., Oct. 7.—The classic authority on surety bonds is Edward C. Lunt, vice-president in charge of the bonding department of the Great American Indemnity. Mr. Lunt's racy style would tempt even a local agent to read up on suretyship. At the joint meeting here of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents he illuminated the subject of "bankers and brokers blanket bonds." Mr. Lunt said in part:

While there are about 20 different basic forms of blanket bonds, some of them are happily obsolete altogether, and others have fallen into a welcomed and deserved desuetude. Only six forms, in fact, are now of much practical importance. Commercial banks and trust companies are interested chiefly in forms 2 and 8; stockbrokers in forms 12 and 14; savings banks in form 5; and building and loan associations in form 16. All of these forms provide their comprehensive and diversified protection by means of four insuring clauses: let us consider each of them briefly.

Insuring clause A is the part of the bond that gives to obligees the fidelity protection that they used to get, before the days of blanket insurance, from ordinary fidelity bonds—used to get, that is to say, as to such employees as were separately covered in individual bonds or were specifically named in schedule bonds for amounts of insurance deemed adequate in the given cases. The enormous advantage of the blanket bond is, of course, that it covers all officers and employees of the insured, without naming them and regardless of changes in personnel within the premium year, in a uniform amount representing the peak exposure.

Clause B Covers Many Hazards

Insuring clause A has to do only with dishonesty on the part of employees of the insured. Clause B, on the other hand, covers losses occurring on insured premises and caused by wrongdoing on the part of the general public. The clause covers staff members as well, but for the most part the losses contemplated by clause B are those due to the outside public. In all the six forms under review clause B covers losses due to larceny, robbery, burglary, theft, holdup,

(CONTINUED ON PAGE 37)

Holds Illinois O. D. Act Does Not Apply to Domestic Help

One of the important questions in connection with the Illinois occupational disease act which became effective Oct. 1, is the status of the domestic servants and of the servants' employers.

At a forum on the O. D. act conducted by the Zurich in Chicago Monday afternoon, spokesmen for that company expressed the belief that the legislature did not intend that domestic servants be brought under the act. These spokesmen advised against agents and brokers having their assured elect to come under the act. They took this position despite the fact that the Illinois Industrial Commission has issued a memorandum that domestic servants can be brought under the act and if they are brought under the act, awards will be made in regular course.

Forum Well Attended

The forum was attended by about 100 agents and brokers and branch office employees of other companies. R. P. Tobin of the law department analyzed the act section by section; Arthur Brown, assistant U. S. manager and head of the claim department, presented a brief on the question of domestic servants' coverage, and W. C. Eaton, superintendent of underwriting, discussed some of the underwriting considerations.

The reasoning leading to the conclusion that domestic servants do not come under the O. D. act is somewhat involved.

Prior to 1931, the regular workmen's compensation act of Illinois, Mr. Brown observed, defined employees that were covered under the act as those engaged in the usual course of trade, business, profession or occupation of the employer. In 1931, in the so-called Collins case, the Illinois supreme court held that under this phraseology, a domestic servant was not covered under the act.

In view of that decision, the compensation act was revised to provide that an employer may elect to come under the act if he does not automatically come under it. That was done primarily to permit householders to elect to come under the law.

Conspicuous Omission

In the new O. D. act, Mr. Brown said, the definition of employer, as found in the workmen's compensation act, is followed rather closely with the conspicuous omission of any reference to the right of an employer who is not subject to the O. D. act, to elect to come under that act. The O. D. act, like the compensation act, excludes farm operations.

Mr. Brown deduced that it is clear that the legislature intended not to provide domestic servants with any right of action on account of disease against their employers.

He expressed the belief that if agents advise householders to come under the act, they may be subject to criticism later. He advised agents to tell their clients that householders are not liable to servants on account of disease; that householders can't be brought under the act and that the only reason for purchasing an O. D. policy would be to pay

for the cost of possible litigation and to hedge against the remote possibility that the supreme court will decide that a householder has the right to elect to come under the O. D. act.

The Zurich, according to Mr. Brown, will issue O. D. compensation policies to householders, but it will pay no benefits to the employee unless the supreme court holds that the householder has a right to elect. The insurer, of course, will pay the cost of any defense. Unless the intention of the insurer is brought out clearly to the householder, he said, controversies are likely to arise because the employer will expect the insurer to pay the employee for varicose veins, fallen arches, arthritis, and other disabilities that might be held to be peculiar to the employment and not common to the public.

Mr. Eaton also took up the question of domestic servants. He contended that the O. D. law provides that only those employers who are under the act may elect to come under it.

An employer of domestic labor can protect himself against any eventuality by having his employer's liability policy endorsed to cover O. D. employer's liability.

Defenses Are Removed

The O. D. act provides that those employers who are affected by the act may either elect to come under it or they may not. If they do not elect to come under the act, then most of their important defenses, such as assumption of risk, contributory negligence, etc., are taken away from them and they must stand suit without much protection.

In the event that the supreme court should hold that the O. D. act is applicable to employers of domestic labor, then such employers would be protected under an O. D. employer's liability policy. It is not compulsory that they elect to come under the act. In no event,

(CONTINUED ON PAGE 37)

Futz Now Asks Stone to End Retrogressive Plan

EIGHTY-FOUR, PA., Oct. 7.

—Joseph Futz, prominent insurance leader, taking a comprehensive view of international conditions, wrote E. C. Stone, U. S. manager Employers Liability, who is president of the big casualty insurance convention at White Sulphur Springs this week, urging that prompt, definite and determined action be taken against the retrogressive scheme in rating workmen's compensation insurance. This plan, according to Mr. Futz, is being pushed by the Third Internationale and is subversive of American freedom. Mr. Futz holds that the monarchs of China and Russia have too much to say about insurance over here. He says the branch office system is the result.

Casualty Meeting at White Sulphur

Joint Convention of Company Officials and General Agents

Is on

HEAR NOTABLE SPEAKERS

E. C. Stone of Boston and C. A. Abrahamson of Omaha Preside Over the Business Sessions

By DOROTHY B. PAUL

WHITE SULPHUR SPRINGS, Oct. 7.—Significant of the strong feeling existing among the agents on the question of commissions was the unusually large attendance at the round table discussion for members of the National Association of Casualty & Surety Agents Monday, the day preceding the official opening of the joint convention. Contrary to the usual procedure of holding this informal meeting some evening during the convention period, it was scheduled for 10 a. m. and extra room had to be provided for the unusual number who attended.

Two Subjects are Up

The two subjects again before the agents were the retrospective rating plan for compensation insurance and the matter of agents' commissions on large bonds. While there is a general agreement that the principle of the plan adopted during the year after a series of conferences with company executives is sound and will bring workmen's compensation back into a desirable class of business, it is felt that there are many problems still unsolved.

One of the principal objections made by the agents is that the companies are not taking their proportionate cut in the reduction of costs. Until the companies participate in this reduction, the agents will continue to feel the question is still largely an unsettled one.

Position Will Be Restated

The central point around which all of these problems revolve is the realization that the market must be preserved and all must work toward that end. The answer is that the rates must be low enough to enable the agents to secure business, but at the same time they cannot be so low that the companies will not accept the business.

The ground was covered from every angle in the two-hour discussion at the close of which T. E. Braniff, Oklahoma City, chairman executive committee, was appointed head of a resolutions committee to draw up a restatement of the position of the general agents in the matter, presenting this to the association at the business meeting Thursday morning.

Charles H. Burras of Chicago, president of Joyce & Co., secretary of the National Association of Casualty &

(CONTINUED ON PAGE 36)

North American Accident's Golden Anniversary Meet

OUTLINE NEW HOSPITAL PLAN

Whole Family Protection May Be Provided by Riders—Sales Methods Featured at Convention

The North American Accident is considering the issuance of a series of riders to be attached to its policies under which it would be possible to provide hospitalization on a family basis. George F. Manzelmann, vice-president and agency director, outlined the plan in a general way at the company's golden anniversary homecoming convention in Chicago last week for the purpose of getting the reaction of the men in the field, which was wholly favorable.

Under the plan proposed, the basic rider would provide hospital benefits, up to stated limits, for the assured only. For a small additional premium, this protection could be extended to his wife and through further payments to cover dependent children as well. This plan parallels rather closely those offered by hospital associations in many of the larger centers and is expected to meet the competition of those associations.

Sales Methods Stressed

More than 250 representatives of the company were in attendance at the convention, which was in celebration of its 50th birthday. The meeting was devoted almost entirely to presentation of sales ideas and business building methods. Vice-president Manzelmann presided at all sessions. At the first session Friday afternoon, S. Glen Moyer, Columbus, O., told "Why I Sell North American Accident Insurance." R. I. Pinner, New York, gave a brief outline of the history of accident insurance. E. S. LeVino, Pittsburgh, told of the importance of the personal equation in selling and described the methods he has used with success in hospital groups. L. A. McMahon, Baltimore, discussed "The Value of Accident and Health Insurance, Both to the Prospect and to the Agent." Earl Rogers and W. O. Banker, Geneva, N. Y., gave a brief sales demonstration, substituting for W. J. Tiernan and T. P. Townsend of Baltimore, as Mr. Tiernan was too modest to carry out his part of the program. Other speakers at that session were S. W. Tooke, Los Angeles; J. W. Eagleson, Des Moines, who had 17 agents in attendance, and E. St. Clair, vice-president and general counsel.

Company-Agent Responsibility

An interesting feature of the second session was a joint presentation on the general topic, "Responsibility: Company to Agent and Agent to Company," with a field man and a home office representative giving their respective viewpoints on the work of each department. The speakers were: Agency department, A. J. Bamann, Rochester, N. Y., and S. R. Rauwolf, home office; underwriting, C. W. Cameron, Oklahoma City, and Miss Catherine T. O'Connell; claim department, Gordon C. Fuller, Seattle, and Miss Frances E. Raiter; accounting, John R. Carpenter, Minneapolis, and Miss Margaret H. Nelson.

This was followed by a symposium on "How We Did It" presented by four outstanding producers representing every section of the country. The participants were J. P. Jones, Los Angeles; Hyman J. Small, Worcester, Mass.; William E. Calkins, Rochester, N. Y., and Jack Beall, Jr., Waycross, Ga.

Entertainment features included a dinner and theater party for the ladies Friday evening, a sightseeing tour of Chicago Saturday afternoon and a dinner dance Saturday night.

In New Venture



HENRY SWIFT IVES

Henry Swift Ives, who has resigned as special counsel for the Association of Casualty & Surety Executives, will become associated with the Public Affairs Council of New York. This organization is engaged in public education on tax matters. Dr. W. S. Landis, research expert for American Cyanamid Company, is chairman of the board of the organization.

Mr. Ives knows the subject. He was for five years secretary of the Minnesota state tax commission. He became identified with the insurance business in 1922 as vice-president of the Casualty Information Clearing House of Chicago. When that organization ceased to function in 1929, he joined the newly formed Association of Casualty & Surety Executives.

Hartford Organizes Safety System in Accident Drive

HARTFORD, Oct. 7.—The Hartford police department has installed the Evanston, Ill., system of accident investigation. This plan entails the collecting and recording of data on every accident by the accident investigation division. The division has two chief investigators, whose main job is the apprehension of the hit and run drivers, and two squads of six men each arranged so that two men from each squad are always on duty. The system was installed by its author, Lieut. Frank Kreml of the Evanston police department, with the assistance of Patrick Groark, formerly of the Chicago police department, who like Lieutenant Kreml is a law school graduate, and Curtis Billings, formerly on the staff of the National Safety Council in Chicago. Lieutenant Kreml is on leave of absence from the Evanston police department, and with his two assistants conducts a school for traffic policemen at Northwestern University. He has also directed the installation of the Evanston system in the following cities within the past year: Saginaw, Mich.; Syracuse, N. Y.; South Bend, Ind.; Cincinnati, Louisville, New Haven, Conn., Bridgeport, Conn., and Hartford, with Waterbury, Conn., the next town planning to adopt this system. He has also in the past year organized a school at Purdue University similar to the unit at Northwestern.

Frank T. Priest, Dulaney, Johnston & Priest, and Standish Hall, Chapell-Hall, Wichita, were featured by the Wichita "Beacon" in a series of pen portraits of "Wichita Personalities" which traced their life activities.

New York Brokers to Hear Story of Claim Ring Probe

PINK, BOTEIN ON PROGRAM

Producers Association to Hold Annual Dinner Meeting at Hotel Astor Oct. 28

NEW YORK, Oct. 7.—Casualty underwriters and brokers soliciting casualty lines will be especially interested in the forthcoming annual dinner of the General Brokers Association to be held at the Hotel Astor the evening of Oct. 28. Assistant District Attorney B. Botein and Superintendent Pink will be the principal speakers.

Mr. Botein is the directing force of the accident fraud bureau, created as a division of the district attorney's office last February, in a determined move to put an end to fraudulent accident claims, ambulance chasing and dishonest lawyers and doctors. Thus far 150 persons have been indicted as a result of the drive, one-half have been convicted and none acquitted.

Large Scale Operations

Litigation in personal injury cases, both real and fictitious, assumed the proportions of a racket, clogging court records and adding greatly to cost of administering justice. It, moreover, was largely responsible for the high rates for liability, compensation, automobile and other casualty indemnity.

Carriers through the National Bureau of Casualty & Surety Underwriters attempted to deal with the fake claim evil, but it needed the blanket powers possessed by the public prosecutor's office to handle the situation effectively. Mr. Botein will tell brokers how the accident fraud bureau works, what it has accomplished and what it hopes to bring about.

American Automobile Has New "2,000,000" Series Form

The American Automobile has brought out a new policy which is termed the "2,000,000 series combination." It includes in the printed form the various combination coverages which in the past have attached by rider. An important change relates to the effective time, which heretofore has been 12.01 a. m. "standard time." A blank is left for insertion of the exact time the policy goes in effect. The expiration time as before is 12.01 a. m. The old method gave a latitude of almost 24 hours due to variations in standard time, daylight saving time, etc., within which although the policy was not intended to be in effect its phraseology would cover a loss. Instances occurred of applications for policies after occurrence of loss.

Minor changes in phraseology have been made: "insured" for "assured," "coverages" for "perils," etc. Provision is now made for showing registered or licensed load capacity as well as advertised load capacity of commercial vehicles, and overall length of trailers. A new item is intended to show actual ownership of car, independent of mortgage, lien or other encumbrance. Another item covers the insured's cancellation record or any rejections.

A provision for automatic insurance for newly acquired cars, heretofore secured by endorsement, is now printed in the policy. Most of the printed endorsement forms have been revised to conform with the new series.

Wildcat Agents Arrested

BLYTHEVILLE, ARK., Oct. 7.—Charles Block and May Baer, arrested in Newport, are to be given a hearing

Product Cover Claimants Having to Prove Damage

NEW YORK, Oct. 7.—On complaint of the Travelers, Adolph Steinfield of this city was held in \$2,500 bail on a charge of attempted grand larceny. He claimed damages for finding a dead mouse in a loaf of bread. It was more than a coincidence, the company maintained, that just a year previous Steinfield collected \$300 damages for a reputed similar happening.

About the same time another casualty company was notified by the holder of product liability cover that a woman in San Francisco demanded substantial damages for shock to her nervous system caused through seeing a dead mouse in a loaf of bread purchased from a chain grocery store in that city. The attitude of courts generally is to frown on claims for shock to the nervous system, unless physical injury results, in which case the nature of the injury is considered and damages awarded accordingly.

W. H. McBryan Honored for 35 Years Service at Detroit

DETROIT, Oct. 7.—More than 250 executives, agents and friends of William H. McBryan, vice-president and director of the United States Fidelity & Guaranty in charge of the Detroit branch, gathered at a banquet to pay tribute to him on his 35th anniversary with the company.

Speakers included W. M. Brucker, Republican nominee for U. S. Senator; Philip F. Lee, vice-president and agency director; C. L. Hoffman, director of production in Detroit; Phil J. Braun, Flint agent; C. J. Fitzpatrick, secretary Fidelity & Guaranty Fire; Col. Sidney W. Bend, assistant general manager of the U. S. F. & G. in Canada; W. O. Schilling, Chicago manager; T. A. Payne, Michigan attorney for the company for many years; Theodore Frye, state treasurer, and R. Howard Bland, chairman of the board.

Mr. Bland told how his father, the late John R. Bland, founder of the company, persuaded Mr. McBryan, then a rising young attorney, to become general agent for the company in Detroit in 1901, when the company's annual premium volume in this state was about \$3,000. In ten years, said Mr. Bland, this volume had grown to \$80,000 and the general agency became a branch office with Mr. McBryan as manager. In 1929 he was elected a vice-president and director. The company now has a premium volume of \$700,000 from Mr. McBryan's office.

J. A. Pelegrin Makes Change

Joseph A. Pelegrin, who for the past two and one-half years has been in the office of the engineering department of the General Accident, Chicago, on Nov. 1, will take a new position in the underwriting department at the home office of the Bituminous Casualty at Rock Island, Ill. Mr. Pelegrin entered the business as an underwriter with the Federal Surety in Davenport, Ia., where he remained for eight years, following which he conducted a general agency in Davenport for two years before becoming associated with the General Accident.

here on charges of forgery and violating the state insurance laws.

They are said to have sold a considerable amount of auto liability insurance in this vicinity in the Consolidated Insurance Underwriters, said not to be incorporated or authorized to do business in any state. They had no licenses in Arkansas.

Commissioner Gentry testified he had received complaints of activities of the two men from a number of cities.

Smith Approves Carpenter Plan

Proposal for Rehabilitation of
Pacific Mutual Called Sound
and Workable

HEARING SET FOR OCT. 19

Utah Commissioner Represented the
State Officials' Body at Proceedings
in Los Angeles

Definite approval of the revised plan for rehabilitation of the Pacific Mutual Life, as submitted last week by Commissioner Carpenter of California to Superior Judge Willis at Los Angeles, has been expressed by Commissioner Smith of Utah in his report as chairman of the special committee representing the National Association of Insurance Commissioners at the recent hearings. Mr. Smith was appointed by Director Palmer of Illinois, president of the association, as a committee of one, he being the member of the national executive committee nearest the scene.

Convention Examination Made

Mr. Smith, in a report sent to each commissioner, stated that the "plan as submitted to the court by Commissioner Carpenter is sound and workable. It is my opinion that it is the best possible plan that could have been devised to equitably serve the interest of policyholders as well as secondary interests. I feel very definitely that Commissioner Carpenter is to be congratulated on the task he has performed and that he should have the enthusiastic support of the commissioners. Although a reduction in benefits is contemplated for holders of non-cancellable accident and health policies, I feel that the benefits provided are commensurate with the premium paid. Of paramount importance, however, is that fact that holders of life and other policies are completely protected."

Inasmuch as a convention examination had recently been made of the Pacific Mutual by departments of several States, Mr. Smith represented the com-

(CONTINUED ON PAGE 39)

"Bill" Wilson

Phil Braniff, before leaving Oklahoma to attend the big casualty convention in White Sulphur Springs, W. Va., this week, was moved to compose a few stanzas in memory of W. G. Wilson of Cleveland, the great Aetna Casualty general agent. This is the first White Sulphur meeting since the death of Mr. Wilson. He was one of the important convention attractions and his absence at White Sulphur is conspicuous. Here is Mr. Braniff's poetical tribute:

He was my friend—
He had a way of making me
The fellow I was going to be.
When everything I'd planned seemed
wrecked
He bolstered up my self-respect.
"Quittin'," Billy said "'a the bunk."
"Fightin's what it takes—'n spunk."
"Never let 'em know you're hit—"
"Never let 'em say you quit."
"Don't ever take the world's abuse—"
"Never ask—but grant a truce."

He didn't drink—but always fixed
A glass the way I liked mine mixed.
His eyes were keen—his mind alert.
His pointed stories never hurt.
He never told me how to putt—
Or when I sliced—explained just what
Was causing me to dub my wood—
He'd simply say "that's not so good!"
He'd shoot a ninety-nine 'n yet
You'd find somehow you'd lost the bet.
"Golf," he said, "is exercise
You'll keep it that way if you're wise."

The world will go on just the same.
No towering stone will bear his name.
Wild geese will fly to show the way for
ducks to wend
And better men to lesser men a knee
will bend.
So, when the going is tough and hard to
take,
I'll raise my glass to Bill, who was my
friend.

Bricker Casualty Speaker

Attorney-general Bricker of Ohio was one of the principal speakers at the meeting Tuesday of the Ohio Association of Casualty & Surety Managers in Columbus. Other speakers were John H. Parks of Cleveland, who was the first president of the association, and E. C. Ensminger of Columbus, who gave a report on the insuring of financed cars.

H. W. Ray Is Dead

H. W. Ray, 60, for more than 27 years a claim adjuster for the Hoosier Casualty, died Saturday in Indianapolis after a year's illness. He was a brother of C. W. Ray, president of the company.

Comments of J. M. Powell on Non-Can A. & H. Cover

John M. Powell, president Loyal Protective and Loyal Life, has written the following letter to THE NATIONAL UNDERWRITER challenging some of the ideas regarding the writing of non-cancellable accident and health insurance, set forth in a recent issue by Albert Hirst, New York City insurance attorney. Mr. Hirst scored the defeatist attitude toward non-can following the Pacific Mutual debacle, and suggested two methods for writing the coverage safely.

Mr. Powell's letter follows:

"The comments of Mr. Albert Hirst regarding non-cancellable disability insurance as given in THE NATIONAL UNDERWRITER of Sept. 25 are indeed interesting. Although Mr. Hirst is to be congratulated on taking a constructive stand on this question at this time, some of his suggestions contain such distinct elements of danger that I believe they should not go unchallenged.

Two Suggestions Made

"Mr. Hirst makes two suggestions for the writing of this form of insurance, both of which, however, are based on an increased premium. His first suggestion is to increase rates and to issue the policy with an assessment clause. He points out that had it been possible for the Pacific Mutual to make assessments years ago when trouble was first sighted, the change in rates would not have had to be so drastic as that which has now taken place. The practical question is, however, when would the assessments have been made, and on what basis would they have been made? Mr. Hirst states that the making of an assessment is always unpleasant, and that every effort would be made to avoid the need of it. Does it not follow that assessments would not have been made until necessity forced the issue?

"In life insurance, at the end of a year losses are known and assessments could, if necessary, be fixed accordingly. The difficulty with assessment life insurance was the fact that as the insured gets older, the death rate becomes so much heavier that assessments, if properly made according to the actual hazard, become very difficult for the insured to meet and that, therefore, he may be faced with the necessity of dropping his coverage at the time he most needs it. In the case of lifetime coverage for disability, however, a company is faced not

only with a rapidly increasing hazard due to age, but also with the fact that at the close of the year, it would be impossible to calculate the liability incurred during the year. In such a case, when claim is presented—on the basis we will say of \$100 per month—it is impossible to foresee whether those payments will amount to \$300 or \$30,000 or more. In fact, a definite knowledge of the liability incurred in any particular year would not be known for many, many years.

Human Equation Important

"It would appear that Mr. Hirst has lost sight of the extreme importance in lifetime indemnity of the 'human equation.' If past experience shows that losses under a particular form of policy issued at a particular premium were twice as heavy as contemplated by that premium, it does not follow that if twice the premium had been charged, the experience would have been satisfactory. In fact, experience has proven that such is not the case. When a higher premium is charged for a fixed benefit, the result to be expected is, it is true, a somewhat lower loss ratio when measured in terms of claims as compared to the premium charged, but actually, higher claim payments per policy. This is due at least in part to the fact that the higher the premium, the less likely are the good risks to carry the insurance. One of the easiest mistakes for the actuary or rate maker to make is to calculate gross rates based on experience obtained under inadequate rates.

"It is a well known fact also that when it becomes necessary to make a substantial assessment, the higher the assessment, the greater is the tendency for the better risks to discontinue their insurance, making the resulting experience with remaining policyholders still more unfavorable.

Participating Plan

"The other plan suggested by Mr. Hirst was to charge sufficient premium so that the policy could be made participating and pay dividends. Substantially the same objections will apply in this case as outlined above.

"Is not the real trouble that we may undertake to seek too great a degree of perfection? Perfect insurance has never been developed in any line, not even ex-

(CONTINUED ON LAST PAGE)

OFFICIALS AT THE CASUALTY CONVENTION



E. C. STONE, Boston
Company President



C. A. ABRAHAMSON, Omaha
Agency President



F. ROBERTSON JONES, New York
Company Secretary



CHARLES H. BURRAS, Chicago
Agency Secretary

Leslie Tells Pittsburghers They Make Their Own Rates

ADDRESSES BREAKFAST CLUB

Explains the Process National Bureau Follows in Getting Changes for Automobile Liability

William Leslie of New York City, associate manager of the National Bureau of Casualty & Surety Underwriters, spoke before the Pittsburgh Breakfast Club during the time he was present at the annual meeting of the National Association of Insurance Agents. These men were in various lines of business and Mr. Leslie took the occasion to explain in a popular way how automobile liability rates are made. He said that the National Bureau has as members 39 stock companies. Rates are made locally. That is, Pittsburgh and its locality virtually speaks for itself so far as costs are concerned. All owners of Pittsburgh cars are classified and their accidents are recorded together with the amounts paid. It matters not whether a Pittsburgh man has an accident in Allegheny county or in Florida. It is charged to Pittsburgh because rating becomes pretty much a personal factor.

Three Classifications Used

There are three classification of cars, light, medium and heavy. Mr. Leslie said that the bureau keeps the data for these divisions according to states and territories. There are differences in various localities. Some municipalities are very strict in enforcing traffic ordinances and others are not. Some courts are decidedly lenient and so are juries. Mr. Leslie explained that premiums are not taken into consideration in the creation of the basic rate but rather the number of cars. The entire volume of losses is divided by the number of cars and that gives the basic rate which is loaded for expenses, taxes, etc.

Commercial Car Rating

The same policy, he stated, is followed so far as commercial cars are concerned. In states having financial responsibility laws, there is a penalty inflicted for drivers whose experience shows them to be careless. Mr. Leslie said that in the past an attempt was made to give credit to the drivers who had a low loss ratio but in a practical way it did not work because of the competitive features. The experience rating plan, he said, is used for fleets. In case of commercial fleets it is possible to give credits and also inflict penalties.

Mr. Leslie told about the safety work done by the bureau. It takes a lively interest in conservation and has done much to endeavor to acquaint the public with the necessity of safe driving. He said that it is useless for a business organization or group to resolve or talk about automobile accidents in general terms. Definite action is desired. When a community is able to reduce its automobile losses it will get reduced rates.

Accident Fraud Bureau Work

NEW YORK, Oct. 7.—Continuing its efforts to stamp out fake accident claimants in this city, the Accident Fraud Bureau of the district attorney's office, has already secured the arrest of 18 lawyers for alleged ambulance chasing and manufacturing false evidence in order to secure damage awards. Casualty companies have been defrauded of thousands of dollars annually through fraudulent accident claims, the situation finally assuming such proportions as to impel the district attorney to take cognizance of it, and to name a special deputy for its detection and suppression. The work has been pushed vigorously and efficiently.

Field Enlarged



H. H. LOOMIS

H. H. Loomis, who has just been appointed western production manager for the Mercer Casualty and National Mutual of Celina, O., for Iowa, Kansas and Nebraska, has been branch manager for Kansas for those companies for the past three years.

Provision for Service in U. S. Motor Carrier Cover

WASHINGTON, Oct. 7.—Regulations requiring that every insurance company writing motor carrier insurance shall make provision for service in every state covered by their policies were issued by the Interstate Commerce Commission.

The order requires that all policies, surety bonds and other commitments by insurance companies under the motor carrier act, "issued by insurance companies not legally authorized to transact business in all states in which their policies cover the operations of the insured motor carriers, but legally authorized to transact business in at least one state of the United States, and effective on or before the 1st day of October, 1936, and expiring not later than the 1st day of October, 1937, shall, upon the attachment of the enforcement form, prescribed and approved by the commission on the 3rd day of August, 1936, be accepted for filing and approval under Section 215 of the motor carrier act, 1935, provided attorneys-in-fact for accepting service of process for and on behalf of such insurance companies have been duly appointed and have accepted such appointments for each state in or through which the motor carriers will be authorized to operate under certificates or permits issued by the commission."

Assets of Maryland Casualty

An obviously incorrect error occurred in presenting the figures of Maryland Casualty as reported to the Georgia department at mid-year. The assets are \$37,185,930 instead of \$3,185,930, as appeared in the table. Of course anyone familiar with the insurance business recognized the error.

Dissolution Is Approved

Voluntary dissolution of Essex Fidelity & Plate Glass of Newark has been approved by Commissioner Withers of New Jersey. This was done upon application of more than two-thirds of the stockholders. As of Dec. 31, 1935, the company reported assets of \$237,704, capital \$150,000 and net surplus \$72,618. Except for about 5,000 shares, the entire capital is owned by Sussex Fire.

U. S. High Court May Hear Appeal from Georgia Rule

SALARIED AGENT QUESTION

All Companies Concerned in Case Involving Constitutionality of State Restriction

NEW YORK, Oct. 7.—Before appeal in the case of the State of Georgia vs. Hartford Steam Boiler can be submitted to the United States Supreme Court, the question of that court's jurisdiction must be determined. This, it is reported, will be settled on or about Oct. 12. Should favorable decision be rendered, appeal to the United States Supreme Court will be made at once, and it is anticipated the case will be heard on its merits early next year.

The issue is on constitutionality of the Georgia law which prohibits granting an agent's license to anyone representing a stock company on a salaried basis. The statute has been upheld by the Georgia supreme court, and it is from this decision that appeal is being made. While the action directly involves the Hartford Steam Boiler, it is of concern to all companies, and the litigation is being directed by the Association of Casualty & Surety Executives.

Employers Group to Hold 5 Agency Meets Next Week

E. C. Stone, U. S. general manager of the Employers' Liability group, and five other head office officials will attend a series of meetings for agents of their companies next week in Illinois, Wisconsin and Iowa. First meeting will be at Springfield, Ill., Oct. 12; the next at Chicago, Oct. 13; Oshkosh, Wis., Oct. 14; Milwaukee, Oct. 15, and Cedar Rapids, Ia., Oct. 16.

Mr. Stone will go directly to Chicago from White Sulphur Springs, W. Va., where he is attending the big casualty convention, he being president of International Association of Casualty & Surety Underwriters. He went directly to White Sulphur Springs after landing in this country after a trip to England on which he started Sept. 17.

The meetings next week will consist of a morning business session, lunch, golf in the afternoon and then a dinner and meeting.

Those from the head office who will attend in addition to Mr. Stone are J. C. Mullen, assistant to the managers; J. H. Fay, superintendent burglary and plate glass; P. L. Thompson, assistant secretary Employers Fire; F. D. Tibbetts, superintendent automobile department, and J. A. Donovan, assistant superintendent liability and compensation.

Col. P. C. Lewis, Chicago manager, will preside. The others from Chicago who will attend all the sessions are H. I. Meyer, assistant manager, and G. L. Quinn, agency supervisor.

Employers Mutuals' Rally

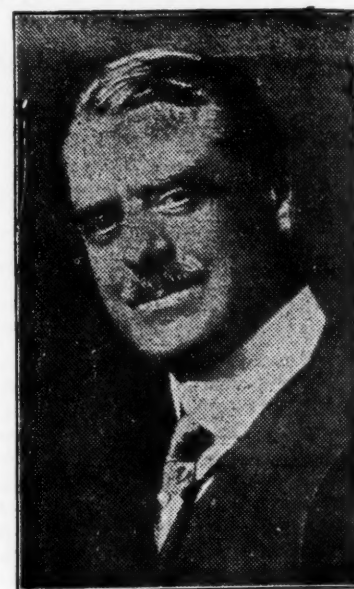
Field representatives of the Employers Mutuals of Wausau in northeast Wisconsin attended a sales meeting at Appleton. The discussion of sales problems was led by N. M. Poyten, Manitowoc; W. H. Smith, Green Bay, and Earl Leader, Sheboygan. Miss Margaret Hartman, industrial nurse recently transferred from Milwaukee to the Appleton office, discussed nursing department functions.

To Form New Taxi Insurer

Announcement has been given of intention to organize the Universal Mutual Casualty of New York City to write taxicab insurance.

The Hawkeye Casualty of Des Moines has been licensed in Nebraska.

To Be Contributor



WILLIAM B. JOYCE

After more than 40 years' active association with the surety business, the major part of the time as chief official of the National Surety, William B. Joyce is as mentally and physically alert today as he was back in 1897 when he was making a name for himself in surety circles in the northwest. That reputation was destined to grow steadily until he took rank with the late John R. Bland, president of the United States Fidelity & Guaranty, as the outstanding figures in the line in this country.

"Casualty Insurer" Articles

As president of the National Surety from 1907 to 1922 and chairman of its board for the succeeding 11 years, Mr. Joyce not only developed its business until it became the foremost institution of its kind in the world, but was directly responsible for introducing many of the forms of suretyship now generally followed; the creation of which increased the premium income of all carriers many fold.

Appreciating the interest men in the field, and particularly those of the younger generation, would have in learning of the origin and development of a variety of the forms of surety contracts they are now selling, the "Casualty Insurer" has arranged with Mr. Joyce to contribute to it from his wealth of experience both as a business solicitor and as an executive officer.

National Bureau Secures Hold-Harmless Form Change

NEW YORK, Oct. 7.—Milton Acker, manager liability department National Bureau of Casualty & Surety Underwriters, has been instrumental in the acceptance by several states of a uniform form of "hold harmless" agreement, and is hopeful that other states will fall into line. As demanded of contractors, notably those engaged on railway work, the "hold harmless" pledges required in some states contemplate coverage which casualty companies scarcely can agree to write.

So broad are certain of the agreements that contractors easily might be held liable for consequential damage caused to shipments 200 miles or more from the scene of a repair job. The manifest injustice of some of the agreement conditions was so convincingly set forth to authorities of certain states by Mr. Acker as to gain their consent to a modified form. New York and Pennsylvania were among the states that agreed to the change.



To those who have made the first twenty-five years of its existence a complete success, the Royal Indemnity Company expresses its gratitude and affection.

W. J. Shaw
PRESIDENT



ROYAL INDEMNITY COMPANY
ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N.Y.

CHANGES IN CASUALTY FIELD

Webster Succeeds McClellan

Maryland Casualty's Resident Manager in San Francisco Made Resident Vice-President

SAN FRANCISCO, Oct. 7.—Sam L. Webster, resident manager of the Maryland Casualty in San Francisco for the past ten years, has been named resident vice-president, succeeding H. E. McClellan, who recently resigned. The announcement of the appointment was made by W. T. Harper, vice-president and agency director, who was in San Francisco.

Mr. Webster will be in charge of the Maryland's business development in the San Francisco office. Southern California activities will continue under the direction of T. W. Michels, resident manager in Los Angeles.

Mr. Webster studied at Princeton and Columbia Universities and after navy service in the world war came west, first locating at Tacoma, Wash., and later moving to Salt Lake City. He

became associated with the Maryland Casualty when he joined the R. A. Rowan & Co. office at Los Angeles, at that time general agent of the Maryland there, and was placed in charge of the surety department. When the company opened its Los Angeles branch office in 1926, Mr. Webster was appointed assistant resident manager and a few months later was transferred to the northern California office here.

Mr. Webster is a past president of the Surety Underwriters Association of Northern California and the Fidelity & Surety Acquisition Cost Conference.

Eason Is Chicago Manager

Ocean Accident Agency Supervisor Appointed by New Swiss Company—Magnuson Succeeds Eason

Ogden Davidson, assistant U. S. manager of Accident & Casualty of Switzerland, went to one of his old desks in Chicago to select the A. & C. manager in that city. He appointed H. Gordon

Eason, agency supervisor in Chicago for Ocean Accident. Mr. Davidson was at one time assistant manager in that office.

Mr. Eason will go to Wisconsin for a holiday before opening the new A. & C. office, which will be on the fifth floor of the Insurance Exchange building. He has been agency supervisor for Ocean Accident about one year. Previously he was in the northern Indiana field for that company about three years. He started in the business with Standard Accident, attending its training school. He was in the local agency business at Grand Rapids, Mich., about two years and later served as executive special agent for another casualty company. He attended the University of Michigan. He is a young man who is looking forward eagerly to the opportunity to develop a business for the newly entered Swiss company.

MAGNUSON SUCCEEDS EASON

T. W. Magnuson has been appointed agency supervisor in the Chicago office of Ocean Accident to take the place of H. G. Eason. He is a man who has had a varied experience in production and claim work. Since 1931 he has been in the Chicago office of Ocean Accident supervising fidelity, surety, accident and health, burglary and robbery claims.

Before that for about two years he was special agent in the Chicago branch of Continental Casualty. He had served previously for about a year in the field for Metropolitan Casualty in Chicago. He started in the business with National Surety, first in Chicago about two years and then as manager at Louisville about three years.

Slocum Is Retiring

Several changes have been made in the Travelers' treasurer's department. Wellington R. Slocum is retiring as manager of the mortgage loan division and cashier after 33 years of service. H. M. Spencer, assistant manager, has been made manager of the mortgage loan division. W. S. Sherwood has been promoted from assistant to cashier. F. A. Davis, who has been field supervisor of city loans and R. G. Wilkins, field supervisor of farm loans, have been promoted to assistant managers.

Loud With Maryland Casualty

George Loud, at one time manager of the casualty department of the Indemnity of North America in St. Louis, has been appointed manager of the casualty department of the Maryland Casualty in Oklahoma City. After the Indemnity of North America closed its St. Louis branch, Mr. Loud joined the Orville Hodge general agency in Granite City, Ill.

McComas Assistant Manager

M. Stanley McComas, Jr., formerly special agent of the Indianapolis branch office of the Fidelity & Deposit, has been made assistant manager, succeeding Leonard Jensen, recently transferred to the home office as special representative in the agency department.

Bechtold with the Associated

John M. Bechtold has been appointed executive special agent of the Associated Indemnity in northern California. For the past four years he has been with the Phoenix Indemnity as special agent in that field, prior to which he was with the Royal Indemnity for three years. He is a graduate of George Washington University at Washington, D. C., and an attorney.

Anderson Is Supervisor

Leonard K. Anderson has been named as field supervisor in Washington and northern Idaho for the Great American Indemnity. He succeeds J. Keith Hutchings, who becomes special agent of the Employers group in Washington.

Self with Guarantee Mutual

Robert P. Self has been placed in charge of safety inspection work of the Guarantee Mutual of Los Angeles. He has had wide experience in work of this character, having recently been in charge of compensation and safety work on Boulder Dam.

George X. Smith, executive secretary of the Des Moines junior chamber of commerce, joined the Aetna Casualty.

C. W. Walters, 66, died at his home in Des Moines from a heart attack. For several years he was an adjuster for the London Guarantee and the Standard Accident, retiring three years ago.

WANTED

Experienced automobile and casualty underwriter for middle western states. Furnish complete information. ADDRESS D-77, NATIONAL UNDERWRITER

WANTED SPECIAL AGENT

With Casualty and Surety experience to travel Central and Northern Illinois, for large stock casualty company. Splendid opportunity. State age, experience, past connections and reference. ADDRESS D-79, NATIONAL UNDERWRITER

In The Interest of Safety—

SINCE 1901, "Safety Engineering" has been America's pioneer safety magazine devoting itself to the advancement of constructive and practical methods of accident prevention, fire protection and industrial health conservation. Its organization and personnel have been merged with those of Alfred M. Best Company, Inc., in the belief that "Safety Engineering" will become a more forceful factor in combating one of America's great problems—the enormous and consistently mounting toll of loss of life and property, caused by accidents.

The accident toll last year amounted to the staggering total of 100,000 killed—360,000 permanently disabled and 8,980,000 injured, with an economic loss of billions of dollars.

The American public, industry and the insurance business are confronted with this problem, of such serious proportions that it creates a grave and complex situation that reaches into the lives of all of us.

Accident and fire prevention work is interwoven with the insurance business. Insurance companies have been in the vanguard of the safety movement not only from public spirited motives but for sound business reasons. In 1935 automobile accidents alone cost the insurance companies about \$265,000,000; casualty companies paid claims of about \$189,000,000; fire companies \$42,000,000 and life companies \$35,000,000 in death claims—just from automobile accidents. An addi-

tional staggering cost to the insurance companies, of all classes, may be traced directly to all the other causes of accident loss, such as fire, accident, infection, occupational diseases, etc.

"Safety Engineering" will approach this grave problem in its main phases, namely:—

- Industrial accident prevention
- Highway safety
- Home safety
- Fire protection
- Health conservation
- Insurance participation

It will furnish up-to-the minute information regarding new developments in safety and allied subjects and will wage a vigorous and consistent campaign of public education, the illustration of safe and unsafe methods and conditions, carefulness and due consideration of the rights of others, all treated in language that the average man can understand. It will also deal extensively with the technical aspects of the problem for the benefit of safety inspectors and engineers—the need for protective supervision, devices, control, etc. It will, in short, attempt to bring a greater, a more direct realization of the need and means for reducing the appalling loss of life and property caused by accidents.

"Safety Engineering" will justify its existence if it assists each subscriber in saving one life, preventing one accident or averting one loss!

Alfred M. Best

P R E S I D E N T

ALFRED M. BEST COMPANY, INC.

SAFETY ENGINEERING
HOME OFFICES



"All that the name implies"

DIVISION
BEST BUILDING

75 FULTON ST., NEW YORK, N. Y.

BRANCHES: CHICAGO • CLEVELAND • HARTFORD • DALLAS

WORKMEN'S COMPENSATION

Name Two for Chowen's Post

R. A. Whitaker and J. O. Froberg Made Joint Managers of California Rating Bureau

SAN FRANCISCO, Oct. 7.—R. A. Whitaker, secretary California Inspection Rating Bureau, and John O. Froberg, superintendent of experience rating, have been appointed joint managers of the bureau, succeeding Walter A. Chowen, retired.

Both of the new managers have been with the bureau for many years, Mr. Whitaker having joined the organization in 1915, just one month following its establishment. He served in various capacities until named secretary in 1918. Mr. Froberg joined the bureau as an actuary and statistician immediately following graduation from the University of California. He was named superintendent of experience rating in 1920.

Committee Makes Announcement

Announcement of the appointments was made by the governing committee of the bureau, of which Joy Lichtenstein, vice-president Hartford Accident, is chairman, following a luncheon at which Mr. Chowen was guest of honor. He was presented a gold watch on behalf of the governing committee and classification and rating committee by Carl G. Brown, California Casualty Indemnity Exchange, a lifelong friend of Mr. Chowen. R. A. Whitaker represented the bureau employees in presenting him a chain and knife. Hosts at the luncheon were the governing committee, the classification and rating committee and the executive staff of the bureau, including Mr. Whitaker, Mr. Froberg, Roy C. Hodgson, superintendent for southern California, and Stanley Green, superintendent of inspection.

Mr. Chowen is a pioneer in the compensation field under the present California law and organized the bureau following its creation by the legislature in 1915. He has been its manager ever since.

To Revise New Jersey Rates

NEWARK, Oct. 7.—With the sanction of Commissioner Withers, the governing committee of the Compensation Rating & Inspection Bureau of New Jersey of which A. R. Lawrence is chairman, has determined upon a partial revision of rates, effective Dec. 31.

The bureau has advised all company members that rates now in force will not be available for the issue of any policy dating after Dec. 31 nor to policies controlled by rating anniversaries subsequent to that date.

Safety Drive in Florida

TALLAHASSEE, FLA., Oct. 7.—The Florida industrial commission has launched a campaign to cut down the toll of accidents to workmen of Florida. The drive will be financed by a 2 percent premium levy. The commission's safety department will organize safety councils in counties, cities and industries.

Dividends Are Increased

Associated Indemnity has announced a substantial over-all increase in dividend refund to holders of participating compensation policies to be paid with 1936 expirations.

Capital Increase Voted

Stockholders of Pennsylvania Manufacturers Association Casualty of Philadelphia voted to increase capital from \$250,000 to \$300,000. This will be done

by issuing new stock of \$100 par value at \$150 per share. Present stockholders may subscribe to one new share per each five old shares held.

Sales Meeting at Portland, Ore.

Leading producers of Mutual Benefit Health & Accident and United Benefit Life gathered at Portland, Ore., for a

business session and banquet. The home office was represented by C. E. Forbes, first assistant to the president, and D. O. Brovan, life agency manager.

State Bonding Bill Made Nebraska Political Issue

LINCOLN, NEB., Oct. 7.—Insurance interests in Nebraska were plunged Tuesday into the state political campaign by publication of the contents of a letter sent out to 30,000 insurance agents and others in the state by Frank E.

Helvey, secretary of the Nebraska Insurance Federation, asking support for Dwight Griswold, Republican candidate for governor, and the tart reply of Governor Cochran, Democrat, up for reelection, in which he charged that the passage of the bill putting the state into the public official bonding business was forced by bonding companies and calling on the people to "resent all domination of the state government by corporations residing outside the state and privileged to do business in Nebraska and to take millions of dollars from the state."

The governor further charged that the



Just as powerful motors

give strength and speed to the plane driving through space — so advertising lifts and sustains your selling efforts.

In insurance, as in all other business, there are men who still are not convinced that advertising will help them to produce. But The Maryland has opened the eyes of hundreds of these agents with an advertising plan which brings direct sales. • *Here are excerpts from two agents' letters:*

"I want to thank you for the advertising campaigns which you offer to your agents, and I want to give you full credit for my tremendous increase in business.

"The month just closing shows the greatest increase in new casualty business for any month since I started writing casualty insurance."

OKLAHOMA AGENT

"ONE of the largest building contractors in the middle west, upon receiving our sales letter on accident insurance said, 'that is one of the finest pieces of salesmanship I have ever seen.' He immediately ordered a policy, effective at once. As a result of the letters nine policies were written with premiums of \$964.04."

OHIO AGENT

There's no cost to Maryland agents for this service. It is only one of many helps The Maryland provides that bring results.



THE MARYLAND

MARYLAND CASUALTY COMPANY

BALTIMORE

SILLIMAN EVANS, PRESIDENT

issue had been injected into the campaign by Griswold's friends, and called on the Republican candidate to say whether he favored or disapproved of the law, now before the state supreme court. The governor also demanded to know of Griswold if by his words that "a good man was removed from the office of state insurance director," he meant that he intended to appoint Conn W. Moose, relieved of that office by Cochran. The governor added that two-thirds of his present mail is from insurance men protesting against the Helvey letter.

The Helvey letter contained extracts from messages sent the legislature by the governor, in forcing enactment of the law, and which language Helvey said was "intemperate." The letter recited the history of the controversy, relating that Governor Cochran became much incensed because fidelity and surety companies refused to write the state treasurer's bond involving all responsibilities provided by law, at a premium rate that had previously been charged and found inadequate.

Some Adjusters' Practices Held Illegal in Nebraska

LINCOLN, NEB., Oct. 7.—Attorney-general Wright has advised L. C. Martin, Omaha attorney, who had com-

plained that insurance adjusters were engaged in practices that constitute the practice of law without being qualified to do so, that he will begin criminal prosecutions as soon as evidence can be gathered. The attorney-general says that while a layman or lawyer may investigate the facts of an accident and report the same to a client without violating the legal practice act, the practice usually followed is unlawful. This is when they solicit this business from insurance carriers, after they contact both parties to an accident, take statements from them and from witnesses and then attempt to advise the insurance carrier with reference to the legal rights or liabilities of the parties involved. The attorney-general holds that when the client acts on this advice and authorizes an adjustment to be made, receipts and releases to be drawn and executed, the parties to be advised of their rights and liabilities, this constitutes illegal practice of law.

Represents New Century

In a story relating to the office move of L. A. Rose & Co. in Chicago, the name of the New Century Casualty by error was omitted from the list of companies represented. Rose & Co. has been general agent of the New Century for plate glass over many years.

10 Years from Today

NEWBOY and school-boy today — already he is expressing a willingness for work. High school is next on his program, then college, preparing himself for the career, in 1946, of selling Ohio Casualty protection.

What kind of a Company will he represent?

Well, outside of being somewhat larger, it will be very similar to what it is right now. Ample liquid. Able to fulfill easily all obligations assumed under its policies. Offering complete underwriting and coast-to-coast claim facilities and a group of casualty lines which spell satisfied clients and a happy, prosperous agency organization.

Interested in what Ohio Casualty can offer you in 1936? Full details on request.

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Full Coverage Automobile

Automobile Accident

Liability

Plate Glass

Burglary

Fidelity and Surety Bonds

ACCIDENT AND HEALTH FIELD

Continental Casualty School

Three Day Program for Accident and Health Producers Sponsored by Chicago Branch

Chicago accident and health producers of the Continental Casualty, as well as many from other companies, attended the accident and health sales school given annually by the Chicago branch of the company. The three day program took up sales methods, analysis of the coverage of various contracts and claim problems. At the final session on Friday, W. E. White, superintendent of agencies commercial accident and health department at the home office, spoke on "What Is Selling?" and also conducted an open forum. Assisted by A. D. Anderson, manager A. & H. department Chicago branch, he also gave a sales demonstration on the accident and medical reimbursement forms and on various illness combinations. Mr. White also took part in the first two days' session, reviewed in last week's issue.

Mr. White urged agents to analyze the purchasing power of their prospects before presenting a high premium contract which they might not be able to buy. He emphasized the value of interpreting provisions of the contract in every day terms, showing what the policy will do, rather than selling the contract itself. The agent should know in advance the weaknesses in the plan which the prospect may offer in substitute. Selling should be of a positive character, he declared, and never of a negative nature. Agents should also devote more time to servicing their business as many do not get the full value from their policyholders. The agent should analyze his experiences with his prospects to determine why one man could be sold and the other could not. About 95 percent of agents, he said, give too little thought to this factor.

Graphic Selling Illustrated

Mr. Anderson gave a demonstration of graphic selling, in which he used diagrams, figures and drew from newspaper accounts of accidents to create the proper mental picture for the prospect. He illustrated several methods of approach, not only for accident and medical reimbursement forms, but also for illness combinations. Accident and health insurance, he declared, is the only known substitute for lost income.

At the close of the session, Mr. White announced a sales contest during October and November for agents and brokers of the company. A sales session on franchise insurance, a new form of low cost indemnity based on the group plan, was held this week under the direction of Mr. Anderson and S. T. Pierce, manager franchise department Chicago branch.

Start Boston Organization

BOSTON, Oct. 7.—Agents and brokers interested in the formation of a Boston association of accident and health men held a preliminary meeting and adjourned for a week to complete organization. W. E. Hanna, Continental Casualty, prime mover in the project, presided and addresses were made by Henry Fowler, General Accident; Frank Rabbitt, Royal Indemnity; C. A. Arms, Massachusetts Accident; John Reddy and Benjamin A. Miller. There were about 35 in attendance.

Philadelphia Lecture Schedule

PHILADELPHIA, Oct. 7.—The educational committee of the Accident & Health Club of Philadelphia has completed its program for the series of four educational lectures to be held prior to Accident & Health Week next April. These lectures will be held each Thurs-

day afternoon for the four weeks immediately preceding the sales congress which will be held the Thursday prior to Accident & Health Week. "History of Economics of Accident and Health Insurance," will be discussed by Edward J. Lynch, General Accident; "Policy Forms," W. G. Payne, Employers' Liability; "Underwriting Practices for Agents," Edward J. Kenney, U. S. F. & G., and "Prospecting," John Leibig, Continental Casualty.

Hoodoo Day Meeting

Thirteen committeemen met this week to make plans for the meeting of the Chicago Accident & Health Association Oct. 13, at which Hoodoo Day plans for Friday, Nov. 13, will be outlined. J. Robert Johnson, charter member of the Black Cat Club, will talk. Several other members of the Black Cat Club will outline sales suggestions.

Rule on Newspaper Policies

LANSING, MICH., Oct. 7.—The Michigan attorney-general's department has advised Commissioner Ketcham in an informal opinion that the law pertaining to agents' licenses does not require newsboys collecting premiums on accident policies issued through newspapers to be licensed as agents.

S. S. Greenberg, assistant attorney-general, who prepared the opinion, said that, despite his view of the legal question involved, he was not convinced that allowing newsboys to collect insurance premiums was a sound practice. He pointed out that adoption of such a system could easily lead to serious abuses and complications both as regards the juvenile collector and the company paying claims under such coverage.

Reimbursement in Auto Policy

The London & Lancashire Indemnity is issuing a new automobile accident policy with \$2,500 principal sum, which also provides medical and hospital reimbursement up to \$250.

Withdraws "Non-Can" Forms

The Great Northern Life has withdrawn from sale its non-cancellable income policies. In connection with this action President H. G. Royer says: "We believe that the rates that are being charged on these policies are inadequate, and not knowing at this time

Movies Used Effectively in Detecting Frauds

PHILADELPHIA, Oct. 7.—Fraudulent claims and their stoppage were explained by J. H. O'Rourke, Jr., Philadelphia investigator, in an illustrated talk at the October meeting of the Accident & Health Club of Philadelphia. Mr. O'Rourke showed actual pictures taken during investigations of claims. In the last four years his organization had taken some 4,000 feet of film, averaging 50 to 400 feet an investigation.

The use of moving pictures has proven of great advantage to the companies in fighting fraudulent claims, said Mr. O'Rourke. The films must show a long enough period so that they will be applicable as evidence and proof of fraud in the claim. In the majority of cases the movies have to be taken from a considerable distance with telephoto lens in order that the person under observation is not aware that he is being photographed.



what the adequate premiums would be, we have concluded definitely to withdraw the policies."

While the Great Northern included these forms in its policy kit a number of years ago, when the "non-can" idea was especially popular, it has never pushed those policies. Its premium income in 1935 on "non-can" forms was \$6,379 with losses \$1,500.

Detroit Meeting Oct. 13

DETROIT, Oct. 7.—The past presidents of the Detroit Accident & Health Insurance Club will be honored at the first fall meeting Oct. 13. They will be introduced by Fred Grainger, agency director Federal Life & Casualty and first president, and will speak briefly on the progress of the organization.

The business session will consist chiefly of a discussion of plans and programs for the coming year's activities. The membership committee will report on the pre-meeting drive for new members.

New York City Club Meets

Activities for the coming season were outlined at the opening fall meeting of the New York City Accident & Health Club, at which President H. A. Usher, Aetna Life, presided. It was decided to continue the educational lecture series which were so popular last year. They will be conducted monthly with prominent speakers in the accident and health field, sessions to be held in the chamber of commerce building in that city. The committee, of which L. W. Winslow, Fireman's Fund Indemnity, is chairman, expects attendance increase to at least 1,000.

Hospital Company Licensed

A permanent license has been granted by the Iowa department to the Sentinel Hospital Insurance Company of Iowa. The company began operations with a temporary license in August after incor-

porating as a legal reserve mutual company. It is the first company of its kind in Iowa, and operates only in that state. Under the hospital insurance plan any adult, not older than 65, and employed, may take out a policy, pay 85 cents a month and, in event of illness, have hospitalization in a \$5 per day private room, as well as board, general nursing care and nursing supervision in any approved hospital. Doctor bills and X-ray examinations are not covered by the insurance. Lower rates are provided for children of insured parents. The company has 30 agents.

Travelers Rally in Green Bay

T. H. Richey, manager of the Milwaukee life and accident office of the Travelers; H. Lee Minton, associate manager, and Clyde Whitley, assistant manager, conducted a sales meeting of agents in the Green Bay, Wis., district in that city.

St. John Leaves Agency

Walter St. John has retired from the St. John, Hilmes & Strief agency in Des Moines. He plans to devote his time to selling. Mr. St. John joined the Equitable Life of Iowa 33 years ago and he will be a special representative of that company in Des Moines. He will also devote a part of his time to the Iowa State Traveling Men's Association of which he is vice-president.

The agency will operate as Hilmes & Strief.

Starts Comprehensive Course

The Chicago branch of the Travelers under Manager E. B. Dudley of the life and accident department has started a comprehensive agents' educational series under direction of Milton Jones, supervisor of the agency field division at the home office, who was in Chicago to inaugurate the course. B. H. Groves, educational supervisor of the branch, is assisting and will carry on a six months'

standard training program at the conclusion of each class. Each class will meet for a week on accident insurance only; then the next week on life insurance, the sessions being half days. The next class will start Oct. 26, devoted only to accident; a third Nov. 30 on accident insurance only, and then Dec. 7 both classes will study life insurance. The course was especially prepared and is used continuously in New York and Hartford. A similar course of instruction will follow in 1937. Only contract agents are eligible.

Thomas September Leader

The W. L. Thomas agency of the Massachusetts Bonding in Los Angeles led the company for September production of new accident and health business.

PERSONALS

W. T. Harper, vice-president and agency director of the Maryland Casualty, has been on a coast trip, visiting Los Angeles, San Francisco, Portland and Seattle, planning to be back in Baltimore about Oct. 15.

George W. Barnes, 62, northwest district manager of the Anchor Casualty, died at his home in Des Moines after an illness of several months.

William Zech, special agent of the Maryland Casualty in San Francisco, chairman of the safety committee of the Junior Chamber of Commerce, was the principal speaker over radio station KYA, Thursday evening, participating with Judge Twain Michelson.

Daniel W. McCrea, well known surety underwriter and superintendent surety department Preferred Accident, died at his home at Larchmont, N. Y.,

age 52. He had been in ill health for nearly a year. Mr. McCrea was a well known and popular figure in surety underwriting circles. Several years ago he served in the surety department of the Empire State Surety, later becoming a member of the Crosthwaite & McCrea agency, which specialized in surety business. When the Preferred Accident entered the bonding business as a re-insurance company, Mr. McCrea took charge of the surety department and held that position ever since.

John E. Ahern, secretary of the accident department of the Travelers, has returned to his desk after an illness caused by complications following a minor operation performed this last summer. Mr. Ahern is a veteran in the business, having spent his entire business career of nearly 40 years in the accident department of the Travelers.

Quarter-century service plaques were presented by the Aetna Casualty to three executives of the Lansing, Mich., Insurance Agency. John F. Horton, Michigan manager, made the presentation to: George M. Goodell, president of the agency; his son, Zelin C. Goodell, vice-president, and Miss Mina Karkau, assistant treasurer.

W. J. (Boo) Farber of Syracuse, N. Y., who has joined the Louisiana Casualty & Rating Commission, was improperly identified as W. J. (Boo) Sparver. Mr. Farber is a former well known football player and coach at Syracuse University.

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Condensed Financial Statement, June 30, 1936

Assets	
Cash in Banks and Offices.....	\$ 469,548.81
Investments:	
Bonds.....	\$5,476,797.22
Preferred Stocks.....	84,575.00
Common Stocks.....	4,257,762.50
North Star Insurance Company Stock.....	1,268,727.12
Mortgage Loans.....	192,133.33
Real Estate.....	308,000.00
Total.....	11,587,995.17
Premiums in Course of Collection (not over 90 days due).....	741,059.83
Accrued Interest.....	49,415.72
Other Admitted Assets.....	158,718.48
Total Admitted Assets.....	\$13,006,738.01
Liabilities	
Reserve for Claims and Claim Expenses.....	\$ 5,366,587.60
Reserve for Unearned Premiums.....	2,242,123.22
Reserve for Commissions, Taxes, and Other Liabilities.....	599,162.67
Voluntary Reserve.....	500,000.00
Capital Stock.....	\$1,000,000.00
Surplus.....	3,298,864.52
Surplus to Policyholders.....	4,298,864.52
Total.....	\$13,006,738.01

Bonds and stocks owned are valued in accordance with the requirements of the New York Insurance Department. On the basis of June 30, 1936 market quotations for all bonds and stocks owned, Total Admitted Assets would be increased to \$13,378,789.29 and Surplus to \$3,670,915.80. • Securities carried at \$861,205.88 in the above statement are deposited as required by law.

Casualty Meeting at White Sulphur

(CONTINUED FROM PAGE 27)

Surety Agents, will award the prizes at the banquet. Spencer Welton, chairman of the entertainment committee, was eager to have Mr. Burras perform this annual ceremonial and he finally agreed to it. Phil Braniff of Tulsa will play his own accompaniments on the guitar. A number of people who attended the Pittsburgh convention of the National Association of Insurance Agents wended their way direct to White Sulphur for this week's meeting.

E. C. Stone's Address

E. C. Stone, U. S. general manager of the Employers group, who gave his address as president of the International Association of Casualty & Surety Underwriters, declared that improving service is the most important factor in developing public relations. The whole institution of insurance, he said, is no better than the poorest, most inefficient, least prompt and slow service rendered. Poor service, misunderstandings or errors of any kind are always given the widest publicity among policyholders and for its own protection, insurance must maintain constantly the highest standards of service possible.

Mr. Stone urged greater education of

policyholders to the fact that what benefits the company may help the policyholder and what hurts the company is accordingly of great concern to policyholders. He suggested taking them into confidence and to make known some of the burdens that are hampering the business, such as taxation, undue regulation, etc. Rather than "point with pride" to large figures showing extent of assets, or quoting statistics as to amounts and kinds of investments, Mr. Stone urged companies to concentrate on quality and extent of service, thereby improving public relations and impressing the policyholder with the importance of the insurance business to him.

Secretary Jones' Report

The report of Secretary F. Robertson Jones revealed that membership of the International association now included 50 companies, one bureau, five individuals and two honorary members. This has been an extremely active legislative year, the association having distributed 2,073 memoranda on bills affecting the business. There has been a definite trend to propose increases in insurance taxes, with 84 of the 649 important and objectionable bills introduced this year

relating to taxation. Of these, 12 related to premium taxes and 22 to income taxes. There has been a marked increase in number and variety of bills dealing with social security, Mr. Jones stated, with 84 bills being introduced in 24 states dealing with that subject. More intensive legislative treatment may be expected next year when 44 state legislatures convene. One important development was renewed agitation for so called "wide open" occupational disease coverage. Bills proposing this method of treatment were introduced in many states.

In regard to legislation for financial responsibility for automobile accidents, Mr. Jones stated, no bills of the type of the Massachusetts compulsory law have been enacted thus far in any of the other states. To date, one new law, along the lines of the "AAA" bill has been enacted in Kentucky. Other bills have been introduced on the following subjects: Workmen's compensation, 89; surety, 103; special deposits, 6; guest rider laws, 11; hospital liens, 10; rates, 14; agents, 17, and miscellaneous, 179.

First Day Speakers

E. C. Stone, United States general manager Employers Liability and president International Association, introduced the first speaker, E. C. Lunt, vice-president Great American Indemnity, whose topic was "Bankers Blanket Bonds." Mr. Lunt was followed by Maj. Gen. Frank R. McCoy, U. S. Army, who spoke on "Certain Spanish Associations." General McCoy presented his observations gleaned from a long period of service in the Philippines, Spanish America and Spain.

Superintendent Pink of New York who is chairman, executive committee National Association of Insurance Commissioners, was the next speaker. He discussed "Insurance Company Examinations—A Forty Year Problem."

Informal Talks Postponed

It was expected that informal talks would be made by Commissioner De Celles of Massachusetts and Deputy Commissioner Gough of New Jersey, but due to the lateness of the hour these were postponed. Commissioner Blackall of Connecticut was not present.

The executive committee of the agents' association held a meeting Monday night, relative to the resolutions to be presented Thursday. Members of the resolutions committee are: T. E. Braniff, Oklahoma City, chairman; J. M. Barkdull, Cincinnati, and B. W. McCluer, Kansas City. The nominating committee for the agents' association consists of C. M. Bend, St. Paul, chairman; G. E. Charlton, Lawrence, Kan.; J. T. Harrison, New York.

Tuesday afternoon was given over to the golf tournaments.

J. L. D. Kearney, vice-president Hartford Accident, who is now vice-president of the International association, will doubtless move up this week to the presidency while J. M. Haines, manager London Guarantee & Accident is slated for the vice-presidency.

The following committee appointments were announced by President E. C. Stone Wednesday morning: Nominating, J. A. Diemand, vice-president Indemnity of North America, chairman; J. Arthur Nelson, president New Amsterdam; C. B. Morcom, vice-president Aetna Casualty; Frederick Richardson, United States manager-director General Accident; Wallace Falvey, vice-president Massachusetts Bonding; H. S. Landers, president Metropolitan Casualty; resolutions, A. Duncan Reid, president Globe Indemnity, chairman; W. G. Curtis, president National Casualty; Silliman Evans, president Maryland Casualty; C. C. Bowen, vice-president Standard Accident; W. E. McKell, vice-president American Surety, and D. Claude Handy, vice-president Fidelity & Deposit.

C. A. Abrahamson, president agents association, presided Wednesday morning.

The program was headed by Ray

Fidelity Bond As Preventive Is Emphasized

The most important function of fidelity insurance lies in its preventive power, according to H. H. Weinstock, auditor New York "Times," who addressed the first gathering of brokers in New York in connection with the fidelity bond production campaign. The service rendered by the bonding company in investigating every new member of the business staff is a valuable service, he said. The employer knows that the past record of every such member has been carefully scrutinized. Frequently the employer's investigation fails to reveal past irregularities, whereas the bonding company, with far more widespread and specialized investigating service, is able to discover black marks. Justice is tempered with mercy, however, since the bonding company after discovering a black mark, interviews the man and gives him an opportunity to explain his conduct. If he is able to clear himself, he is admitted to the bonding schedule.

Dishonesty Will Diminish

As industry continues to avail itself of this bonding company service, Mr. Weinstock declared, dishonesty will diminish as the embezzler, thief and forger find that employers have taken precautions against them, "and that even where the moral force is lacking, honesty is found, on a strictly business basis, to be the best policy."

John S. Turn, vice-president Aetna Casualty, also emphasized the value of the bonding company investigation. A real service is performed for the employer when an applicant for employment in a position of trust is required to sign an application for a fidelity bond. Frequently the bonding company has developed information that has caused employers to reject applicants that would otherwise have been hired. There is no better recommendation an applicant for employment can have than to furnish an employer a fidelity bond.

Murphy, Iowa commissioner. Mr. Murphy condemned alarmist talk about the safety of insurance and the Boston resolution of National Association of Life Underwriters that asked for a cabinet officer to protect policyholders. He spoke of the record of insurance and said federal regulation will not come unless the public becomes doubtful of the safety of insurance under state supervision. He referred to the danger of communism and said it must be guarded against if American principles are to endure.

Representative James W. Wadsworth of New York talked on the American form of government compared with Communism and other "absolutisms."

Deputy Commissioner Gough of New Jersey spoke briefly. This state, he said, is on the side of convention examinations and now has three under way on the invitation of his own department. Two are participated in by three states while six states are taking part in the examination of the third.

Senator Tom Connally of Texas, referring to changes of government in other countries with stability in America, pointed out that stability here is due to the fact that the government has been a reasonably effective instrument for carrying out the will of the people. He said when any government ceases to be responsive then revolution is born. He declared an election is now going on in Spain but the voting is by bayonets and bullets.

The banquet was held Wednesday evening.

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Broad Coverage in Blanket Bonds

(CONTINUED FROM PAGE 27)

and destruction; and misplacement is covered in the regular text of forms 5, 8 and 14 and optionally by rider in the case of forms 2, 12 and 16. It should be noted that clause B covers only "property" as defined in the bond. The definition, however, is broad in all the forms, and includes money, securities, and muniments of finance generally—the great bulk of the instruments of value ordinarily handled by blanket-bond insureds.

Only Protection to Be Had

The word "destruction" is important, and this clause B provides perhaps the only insurance protection that a bank can procure anywhere against the danger that its money and securities will be destroyed by fire (in Illinois, however, blanket bonds do not cover fire losses). Most big banks during business hours have enormous amounts of money and securities scattered about their premises: what would happen to clause B under such conditions, if a bomb, a fire, or an explosion should completely gut the place? Something like that really occurred in Chicago a few years ago when a dirigible balloon crashed down into the main banking room of a large trust company; and the famous Wall street explosion, in 1920, caused losses to several companies under their blanket bonds.

Misplacement Losses Numerous

As one of the causes of indemnifiable loss under clause B I mentioned misplacement. That word has given infinite trouble to underwriters and claim-adjusters, and I went so far once as to display mild distaste for the coverage as follows:

"Obviously the word misplacement should be lifted bodily, with a pair of sterilized tongs, from all blanket bonds, and catapulted through planetary space to the outermost confines of the solar system."

I wrote that about 15 years ago, not quite meaning it perhaps at the time, and the experience of the surety companies since then has demonstrated the practicability and prime importance of misplacement insurance. Any number of losses have been paid on this account. In fact, in a recent year, about 10 percent of all blanket-bond losses were chargeable to the word misplacement; and the number of such claims is greater than that of any other kind of loss, with the exception of forgery.

Claims on Mere Disappearances

Until recently the words "mysterious unexplainable disappearance," as a description of indemnifiable loss, formed no part of clause B in any of the forms issuable to banks. They are in the current text of form 8, and very properly so in my opinion because needed in connection with the word misplacement. It is clear that securities can mysteriously disappear, when they have by no means been misplaced. It has happened, for example, more than once that somebody handling a valuable bond, say, has placed it in a corner of his cage or in some other convenient place, has been called away for a minute or two, and has found later that the bond was not where he intended to place it, undoubtedly did place it, and where he remembers perfectly to have placed it. If under such conditions the bond never turns up, we have a clear case of mysterious unexplainable disappearance but hardly one of misplacement.

Even Covers Negligence

Forms 5, 8, and 14 provide that losses indemnifiable under clause B may be sustained "with or without negligence on the part of any" of the employees of the insured. Neither the regular text of forms 2, 12, and 16, nor any riders permissibly attachable thereto, provide such protection. The point is one of much practical importance because losses are frequently facilitated by negligence (per-

haps gross negligence) on the part of an employee. When that is so, the presence in clause B of this negligence provision will be a source of solid satisfaction to the insured.

Banks, stockbrokers, and other insureds are all the time sending securities to other banks or brokers, to customers, etc., and nothing that I have said thus far has shown any coverage in the bonds as to this transit risk. That is so because we have not reached until now insuring clause C, which has to do exclusively with this hazard, and which is extremely important. As respects all the six forms under review, this clause covers losses due to larceny, robbery, holdup or theft—the ways in which transit losses commonly occur. Moreover, all the forms except 16, cover losses due entirely to negligence. This last feature of clause C is of vast importance, and it either directly produces many losses for the surety companies or plays a leading part in them. The fact that the negligence is gross does not impair the insurance.

Outside Forgeries

In the case of all the forms under review the insurance is valid only if the property in transit is in charge of an officer, partner, or employee of the insured, with the qualification that clause C of form 12 permits the property to be entrusted, also, to a messenger temporarily employed; while form 14 goes even farther by covering property entrusted to "any other person acting as messenger for the insured."

For a long time blanket bonds covered forgery losses only under clause A—that is, only when an employee's dishonesty took the form of forgery. It was inevitable, however, that forgeries should ultimately be covered by an instrument that purported to give its insureds indemnification for about every kind of loss incident to dishonesty or

crime on the part of employees and the general public; and the comprehensive forgery insurance that has now been available for some years through blanket bonds to bankers was recently extended to other classes of insureds, and was also materially broadened.

Insuring clause D provides this protection. It is found regularly in forms 5 and 8, and may be ridered into form 14. Clearly this insurance is of prime importance. Until a few years ago banks could not get this protection anywhere. They quickly saw how advantageous to them the new insurance would be, and many form 8 bonds have been sold to big and medium-sized banks. Perhaps, indeed, the banks have been the chief beneficiaries of the new forms, since forgery claims have been numberless and very large in aggregate amount. Such claims, indeed, share with misplacement the dubious distinction of causing most losses under blanket bonds, each contributing about one-tenth of the total number of such losses.

Riders Are Important

I have referred to riders a number of times, and they have a lot to do with the practical underwriting of blanket bonds. Some of the riders are highly complicated—not intelligible, indeed, except to a few pundits learned in the lingo of blanketbondology. Parts of certain riders, believe it or not, would convey rather more meaning than they do now if they were written in Sanscrit. All the time at my disposal here, in which I can at best merely skeletonize a shadowy outline of my subject, would not be nearly enough for an adequate exposition of the superseded-suretyship riders.

Continuity Riders

So long as blanket bonds remain in force the insurer's liability is continuous from the beginning; that is, there is no limit, generally speaking, to the time within which losses must be discovered. All the forms, however, provide that losses not known when the bonds terminate must be discovered, in order to be indemnifiable, within twelve months after such termination. Now you gentlemen are always casting covetous eyes upon the other fellow's business, and you frequently pry loose from him, by some masterpiece of skulduggery, one of these choice risks. For that and other reasons it happens repeatedly that the bond originally bought is replaced with another blanket bond, issued by the same or by a different insurer. Since under such conditions losses sustained under the terminated bond, unknown at the date of termination, must be discovered within twelve months, the insured will lose his continuity of protection as to such losses unless something is done about it. In practice almost always something is done about it—namely, a superseded-suretyship or continuity rider (the terms are convertible) is attached to the new bond by virtue of which the insured suffers no disadvantage in this respect from the change of insurers or of bonds or of both.

Probe Racket in Arkansas

LITTLE ROCK, ARK., Oct. 7.—Following complaints received by the insurance department, the activities of Joe Cook and Carl Schneider, alias Charles Block and Max Baer, will be investigated by the department. Commissioner Gentry stated that numerous complaints from various cities have been received against these two agents, charging them with practicing an insurance racket. It is said they solicited insurance for a Minneapolis company not licensed in Arkansas and failed to deliver policies.

Fatalities 3 Percent Less

The Aetna Casualty estimates that automobile fatalities for the first eight months of this year are less by 3 percent than the fatalities for the same period in 1935. Aetna Casualty estimates that there were 8,843 deaths this year and 9,163 last year.

Auto Liability Rates in Oklahoma Cut 11.4 Percent

OKLAHOMA CITY, Oct. 7.—The Oklahoma insurance board has ordered a reduction in automobile liability insurance rates averaging 11.4 percent for the entire state except Tulsa. The order is retroactive and becomes effective as of Oct. 1. This rate is mandatory for all companies and comes with the standard provision policy which was ordered in general use throughout the state. Rates in Tulsa will receive further consideration by the board pending additional investigation.

Holds Illinois O. D. Act Does Not Cover Domestic Servants

(CONTINUED FROM PAGE 27)

would it be held that it is compulsory that such employers come under the act and the servant would have to sue the employer who did not elect to come under. In the event of a recovery, the O. D. employer's liability policy would pay.

The Zurich people, however, believe that there is not enough of a chance that the supreme court will hold that employers of domestic labor are subject to the act to warrant such an employer buying even O. D. employer's liability.

Accrued Liability

Mr. Eaton discussed the question of accrued liability. The handling of the risk where an employee has an occupational disease on Oct. 1 that has not incapacitated him is a big question. Before an insurance company will assume any risk, it must get the premium and to determine what the risk is, there must be an inventory in the way of complete physical examination. If the employer desires to discard men who are now suffering from some occupational disease, that is not the concern of the insurer.

The insurance companies have considered coinsurance or hold harmless agreements as means of causing the employer to stand the cost of the accrued liability. Save harmless agreements are preferred by many underwriters, except where the financial standing of the insured is such that such an agreement might prove to be worthless.

The method of estimating the cost of accrued liability is to take the worth of the cases of those with occupational disease on Oct. 1 and calculate what it will cost to settle them, anticipating that all those with the disease on Oct. 1 eventually will produce a claim. Then a premium can be collected percentage-wise on the worth of these cases.

Assigned Risk Plan

Probably, according to Mr. Eaton, the occupational disease assigned risk plan will embrace some feature like that.

After setting up a system to handle accrued liability, the problem is to prevent further accrual of liability. If the industrial commission promulgates satisfactory rules under the health and safety laws, which were passed at the same time as the occupational disease law was passed, then there should be little concern about the further accrual of liability, according to Mr. Eaton.

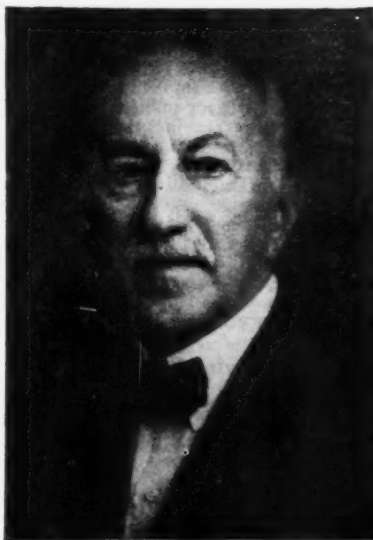
If the employer maintains good housekeeping and will agree to examine all new employees it will be possible to insure risks without an "extraordinary" premium, Mr. Eaton declared.

Opens New York Office

NEW YORK, Oct. 7.—The Fidelity & Casualty has opened a new mid-town office here at 60 East 42nd street with G. C. Spader as manager. He has been connected with the company since 1925 in the metropolitan district.

The California Casualty Indemnity Exchange's June 30 statement shows assets of \$2,214,000, reserves for claims and earned premiums exceeding \$1,200,000, and surplus \$691,000.

Talks at White Sulphur Springs Casualty Meet



E. C. LUNT, New York City

Vice-president E. C. Lunt of the Great American Indemnity was one of the speakers this week before the casualty convention at White Sulphur Springs, W. Va. He is a surety specialist, is a Harvard man, receiving both bachelor's and master's degree. He was connected with the Fidelity & Casualty for 21 years, resigning to become president of the Sun Indemnity. He had resigned from the Sun to take his present position.

CASUALTY ASSOCIATION NEWS

Illinois O. D. Law Taken Up

Chicago Casualty Engineers Discuss Underwriting Problems at the Opening Fall Meeting

Operations of the new occupational disease law which went into effect in Illinois Oct. 1 was the principal subject of discussion at the opening fall meeting of the Casualty Engineers Association of Chicago. Problems facing the underwriter under the new law were outlined by G. F. Gehrke, manager casualty department Moore, Case, Lyman & Hubbard, who then conducted an open forum on the subject. J. B. Wilson of the General Accident presided in the absence of President J. C. Bradley of the Zurich.

Provisions of Act

Mr. Gehrke emphasized that, while the employer has the option of coming under the act, if he does not, it provides for common law action for negligence and takes away the defenses of assumed risk, negligence of fellow servant and contributory negligence of employee unless such contributory negligence is willful. He said that probably the most important section of the act is section 6, which defines the term "occupational disease" and states that ordinary diseases of life to which the general public is exposed outside of employment shall not be compensable, except where said diseases follow as an incident of an occupational disease as defined in that section. It then goes on to define when a disease shall be deemed to arise out of the employment. The broad terms of this section, Mr. Gehrke declared, have potential dangers for companies in that definitions may be misconstrued by shyster lawyers and give rise to unnecessary litigation.

Reports were heard from committees on membership, program and publicity. Efforts are being made to establish a school on occupational disease for members of the association, to be conducted by staff members of the Underwriters Laboratories, Chicago. The following new members were admitted: I. L. Hagemann and George D. Garner, both of the Continental Casualty; Charles H. Jones, Bituminous Casualty; J. P. Stokes, Royal Indemnity; R. B. Neal, Marsh & McLennan; E. L. Crumley, Bankers Indemnity, and R. G. Casey, General Accident. At the November meeting, A. H. Nuckolls, chemical engineer Underwriters Laboratories, will speak on accident prevention as related to occupational disease.

Compensation Problems Up at Florida Claim Meeting

MIAMI, FLA., Oct. 7.—Problems which have arisen since enactment of the state workmen's compensation act will be thoroughly discussed at the annual convention of the Florida Association of Claim Men here Oct. 9-10. A majority of the organization's 200 members will attend, together with many company representatives.

Other matters to be discussed include fraudulent and unethical practices, accident prevention, proper handling of claims and investigations, longshoremen's act, orthopedic surgery, and proposed legislation affecting automobile driving.

Among those scheduled to speak are Wendell C. Heaton, chairman Florida industrial commission; R. P. Lawson, deputy commissioner U. S. Employees Compensation Commission; B. D. Irwin, safety director for the industrial commission; Asher Frank, state safety director; Mayor A. D. H. Fossey, Miami; A. J. Kavanaugh, director of public safety, Miami; T. J. Blackwell, Miami attorney, and Drs. G. F. Oetjen,

Jacksonville; A. M. Bidwell, Tampa; Arthur H. Weiland, Miami; Corbett E. Tumlin, Miami.

New officers will be elected. Present officers are: President, J. Earl Linder, Jacksonville; first vice-president, R. C. Willey, Miami; second vice-president, John A. Steele, Tampa; secretary, George I. Ward, Jacksonville; treasurer H. C. Harrison, Orlando.

Bouchie Boston President

BOSTON, Oct. 7.—The Boston Association of Casualty Underwriters, with a membership of 36 men representing 22 companies, at its annual meeting elected these officers: President, E. L. Bouchie, Metropolitan Casualty; vice-president, E. S. Hawes, London Guarantee & Accident; secretary, P. C. Brady, Standard Accident; treasurer, John Flanders, Gilmore, Rothery & Co.; executive committee, R. T. Rawley, Massachusetts Bonding; Rexford Taylor, Employers Liability; Morton Dolloff, Aetna Casualty, and W. D. Neese, Standard Accident.

View School Bus Insurance

DENVER, Oct. 7.—At the meeting of the Mountain States Casualty & Surety Association, a discussion was held on the opinion of the attorney-general of Colorado, who held that individual members of a school board are not responsible for injuries to pupils on a school bus. It was pointed out that school boards are authorized to expend money for liability insurance for buses.

FIDELITY AND SURETY NEWS

Order Upholding Nebraska State Bond Law Appealed

LINCOLN, NEB., Oct. 7.—Representatives of bonding companies have appealed to the state supreme court from the finding of District Judge Shepherd that the law giving the state the monopoly of public official bond business was a proper exercise of power and valid save in one paragraph which assumed to give the commission the right to remove officials created by the state constitution who did not patronize the state commission. Forty-six errors are charged against the lower court, but the principal grounds relied upon are: That the court erred in holding that the act was an original and independent act and that therefore it was not material whether it changed existing laws without specifically repealing the amended sections; that it erred in saying the legislature had authority and power to pass the law, that a good reason existed for its passage and that passage was necessary to protect the state from a situation where bonding companies practically dictated whether its treasury and hence the state government could function.

Stress is also laid on the fact that the law clearly is an attempt to lend the state's credit to its public officers, and that in giving the commission created to enforce the act power to make certain rules and regulations, the legislators violated the constitutional inhibition against delegation of legislative powers. It is also claimed that the court erred in holding that the section it held unconstitutional was not destructive of the entire act, when in fact it was the inducement for passage because it gave the enforcing officers powers absolutely necessary to compel compliance with the mandatory section. It is also argued that the act assumes to affect officers elected in cities under home rule charters, but nowhere does it repeal or

amend these charters, the provisions of which have legislative effectiveness. No move to ask for advancement of the case in supreme court is now contemplated. If allowed to take the usual course, it will not be reached for six months.

Dr. Tucker Los Angeles Speaker

LOS ANGELES, Oct. 7.—Dr. George E. Tucker of the University of Southern California, formerly of the Aetna Life, addressed the Los Angeles Casualty Adjusters' Association on the value to every casualty claim man of a practical knowledge of medicine.

"Many casualty cases," he said, "could be controlled before the heavy expense of professional medical advice is sought, if the claim man on the case had preliminary knowledge of the medical and legal side of accidents."

Dr. Tucker has been active in claim work in southern California for many years and is now a medical-legal consultant and instructor at the U. S. C. extension school, conducting a class in medical jurisprudence.

Discuss Products Liability

At the forthcoming meetings of Oregon Casualty Agents Association "Products Liability" will be discussed by Wendell K. Phillips. The annual meeting is set for Nov. 16.

Bowers Heads Des Moines Club

C. L. Bowers, Massachusetts Bonding, was elected president of the Des Moines Casualty & Surety Club at its annual meeting. George Le Mair, Central Surety, was named vice-president; John Bowers, Hartford Accident, second vice-president, and L. M. Thompson, American Surety, secretary-treasurer.

amend these charters, the provisions of which have legislative effectiveness.

No move to ask for advancement of the case in supreme court is now contemplated. If allowed to take the usual course, it will not be reached for six months.

Experience on Deposit Cover

MADISON, WIS., Oct. 7.—The Wisconsin state board of public deposits, created in 1931 to insure bank deposits of governmental units in banks after private surety companies withdrew from the field, will shortly complete repayment to all municipalities for public deposits lost in bank failures during the depression. The board has consummated a \$2,500,000 loan participated in by 42 banks all over the state, making possible payment of the remaining \$1,400,000, or about 10 percent of claims to be paid. The remainder of the loan will enable the board to retire the balance of about \$1,500,000 due the Reconstruction Finance Corporation, which had loaned the board about \$13,000,000 since 1933.

Will Revise Form No. 2

NEW YORK, Oct. 7.—Having drastically revised Form No. 8 of the bankers' blanket bond, three months ago, a committee of the Surety Association of America will shortly announce certain changes in Form 2. As Form 8 is the most liberal and widely held form of bankers blanket coverage; so Form 2 is the least expensive, and is purchased by many of the smaller financial institutions. Again it is often secured also by major banks to supplement other forms of indemnity.

Would Raise Bond Requirements

OKLAHOMA CITY, Oct. 7.—Substantial increases in the amount of the bond required from applicants to sell stocks or other securities, under jurisdiction of the Oklahoma securities commission, will be asked of the coming legislature, it is announced by the commis-

sion. The maximum bond is now \$5,000, and this is declared to be too small. It should be \$25,000, Secretary Battenberg says.

Dealers in many instances sell up to \$200,000 worth of securities, it is pointed out, and a low bond is inadequate to protect the buying public.

PLATE GLASS

Control Chicago Situation

Alliance of Underwriters Against Rate War Reports Nearly All Companies Lined Up

The plate glass rate situation in Chicago appears to be under control, following action of the National Bureau of Casualty & Surety Underwriters in relinquishing jurisdiction over the rates and forms in Cook county until further notice. A special committee of the Burglary Underwriters Club of Chicago conferred with managers of companies whose policy relating to a possible rate war was uncertain, and received assurances they would adhere to manual.

This action assures not only that full coverage plate glass will be sold at manual, but also that 50-50 quotations on risks also will be based on manual, according to W. A. Coan, the club's president.

The special committee consisted of Mr. Coan, J. M. Hogle agency; W. H. Hansmann, vice-president Fidelity & Deposit; L. W. Burger, manager Bankers Indemnity; Martin Patt, U. S. F. & G.; George Borkovec, George W. Roberts & Son. The assurances were first recorded at a special meeting of the club last week on a resolution to avoid a rate war. There was one company which it was feared would take advantage of the situation, but it reversed its intention after conference and the manager pledged adherence to the manual.

Some alarm was felt in the Chicago territory this week by cut-rate quotations on full cover glass insurance by a company that last week was reported ready to wage a volume drive, but whose manager when approached by the committee pledged strict adherence to manual rates. Other managers reported that since that supposed understanding was reached the company has been quoting a number of risks at 25 percent below manual, and in at least one case at 50 percent off.

Many to Write 50-50

The National Bureau's action undoubtedly will result in some movement of the plate glass business from the outstanding 50-50 companies, as it is believed most companies that have not written this form heretofore will adopt it. With universal writing of 50-50 in Chicago this form is believed to be taken out of competition.

Leaders express belief there will be no great increase in volume of 50-50 written in Cook county as the form is over ten years old there and all brokers have known the 50-50 market and have used it only in competition. The commission is cut in half, for the same rate as for full cover applies only on the first premium payment of 50 percent, and not on the retention. A few companies will not write the form, especially the Travelers, which indicated its attitude positively at the club's meeting last week.

The Burglary Club met Tuesday to discuss the situation. It is planned to have a meeting every Tuesday, with a formal session only upon call. A slate of new officers of the revived club will be acted upon soon. Mr. Coan is the holdover president, having been elected some two years ago.

It was reported this week that the state's attorney's office has assigned five squad cars equipped with machine guns specifically to apprehend glass smashers in the loop. Two of these are patrolling Michigan avenue exclusively where there

has been a plague of smashes recently. Two hoodlums were killed in the northwestern section of the loop a week ago. A squad became suspicious when they saw the men apparently in the act of breaking a large plate in the center of the loop. This patrolling of the downtown section by squads detailed to stop the malicious breakage is expected to have a strong moral effect on the hoodlums and tend to bring under control a situation which this year has resulted in high loss ratios for glass insurance companies.

Examination Plan Opposed by Pink

(CONTINUED FROM PAGE 3)

ers attached to such an examination were doing an unimportant and incidental part of the work, that state would have to take full responsibility for the results and conclusions reached.

Mr. Pink questioned the legality of a convention examination when applying its findings to the various states. He called attention to a ruling of the New York attorney-general in 1894, the problem of outside examination being in the forefront at that time. Substantially the same legal questions were involved then as are involved under the St. Paul resolution. The attorney-general ruled then that outside officials had no legal authority under the laws of New York to make examinations within that state of companies chartered there, upon request or otherwise.

He ruled further that there would be no binding force of validity to the findings of such an examination, other than the credit usually reposed in the findings by a reputable body of citizens in any voluntary and extrajudicial proceedings. It was pointed out that false statements could not be punishable by criminal prosecution in New York, and therefore the results of such an examination could have no official recognition from the New York department. It was held that the examination being purely voluntary, the New York department was not chargeable with the duty of participation or supervision and had no responsibility in that respect.

Examinations Not Official

"Consequently," Mr. Pink contended, "it is plain that under the laws of New York a convention examination of any of our companies is not an official examination and cannot be used in a legal proceeding either to take the company because of insolvency or for any other purpose, or does it comply with our statutory requirements for periodic examinations of all companies. The superintendent must examine his own companies and take responsibility for the results."

He pointed out, however, that in times of crisis or emergency or some unusual situation, such as that of the Modern Woodmen where the Illinois and Missouri departments disagree as

to its solvency, there might be necessity for convention examination. He pledged cooperation of his state in any situation where the proper committee of the commissioners association considers a convention examination necessary.

The New York department, Mr. Pink stated, is in full accord with the present by-laws of the commissioners' organization, which provide for convention examination where request is made by the commissioner of the home state or by three commissioners from other states where the company does business. "However," he declared, "we do object to the St. Paul resolution which seeks to impose an unfair, impractical and onerous obligation on companies in our state, and to substitute a voluntary, unauthorized examination for the statutory examination required by the laws of our state. If such a system is to prevail, it must create a serious let down in efficiency of examination of companies, and will seriously weaken the responsibility of each state for companies within its borders."

Department Will Cooperate

Mr. Pink stated his department would cooperate in offering to submit all its examinations and working papers to the scrutiny of the committee on examinations. If the committee is then in doubt on any point, or questions the accuracy of the work, it may make such further investigation with its own examiners as it may deem necessary. This plan, he said, meets the legitimate demand of other states for full knowledge and more intimate participation in New York examinations and at the same time preserves the integrity of that state's examination which is demanded both by efficient practice and by law.

Problem Is Not New

The problem of out of state examinations is not new, Mr. Pink said. It dates back to early days in the history of the commissioners' organization, which was founded at a meeting in New York in 1871. Outlining the background of the problem, he said that in those days there was no established system for making examinations and the superintendent hired whatever accountants he wished, charged what he thought was right, assessed the company for expense and was not legally obligated to make accounting to anyone. Consequently, there was much waste and much needless expense and there were no national standards or uniformity. With the development of state insurance departments, regulations became more uniform and practices were somewhat standardized. The system that has been developed, he said, is quite adequate to provide for any emergency and represents the most economical and efficient method. The plan for convention examination would, he contended, create the evil of excessive cost, waste and inefficiency that existed in the early days.

Fairness Will Prevail

"Each supervising official," he said, "is the keeper of his own conscience and I do not believe that any state will make an unfair or unnecessary examination of any of our companies. There is nothing but public opinion and a decent regard for the rights of companies domiciled in other states, and for the supervising authority in those states, to prevent such action, but that is quite sufficient. We are not an aggregation of states but a nation and comity and good faith between our states must prevail."

"New York recognizes the need for uniformity of law and procedure throughout the United States. That can be achieved only through the successful and efficient working of the National Association of Insurance Commissioners. We have sincere regard for the natural and proper desire of supervising authorities in the south and west to have greater participation in control of companies dominated by large insurance centers in the east. We shall co-

operate just as fully as we can with the wishes of the majority as expressed in the acts of the convention."

Smith Approves Carpenter Plan

(CONTINUED FROM PAGE 20)

missioners organization not so much for the purpose of going into the findings but primarily in the interest of policyholders of the company and the plan for rehabilitation. The revised proposal provides for the setting up of a new company to take over and reinsure assets and all outstanding policies of the old company. Details were presented in last week's issue.

Mr. Smith will continue to follow the matter and will be present at the hearing set by Judge Willis for Oct. 19, at which parties interested in the proposal will be heard. He will make a further report to the commissioners at that time. Plans are being made to devote an executive session to discussion of the situation at the commissioners' meeting at Hot Springs, Ark., in December.

STATUS OF "NON-CAN"

NEW YORK, Oct. 7.—Though most people feel that it would be unjust to dip into the Pacific Mutual's life reserves for the benefit of non-can policyholders, there are comparatively few who see how this could be avoided if a sufficient number of non-can people want to put up a prolonged legal battle. If a trust company were to go bankrupt, the individual trust funds would not be subject to claims of general creditors, but life insurance reserve funds have no such status and could not have under their charters.

What will protect the life reserves of the Pacific Mutual policyholders is not the preferred status of this reserve, the demands of justice as opposed to a strict legal interpretation, or the fact that the life policyholders contributed the reserves while the non-can policyholders not only contributed nothing but got more than they paid for.

What Gives Priority

What will give the life policyholders and disabled non-can policyholders priority over the unimpaired non-can assured is that an "unliquidated" claim takes second place to a "liquidated" claim in a bankruptcy or receivership proceeding. A liquidated claim is one which is actual and can be ascertained in a definite number of dollars and cents. An unliquidated claim is one which may never be a claim at all. For instance, a man whose insured house burns down has a definite claim. On the other hand, however, his house might never burn down, so his claim might always remain in the unliquidated or contingent class.

The precedent for cases of this kind in insurance and the one on which the California courts would probably rely if they have no analogous case in their own jurisdiction, is that of the Manhattan Casualty, which was liquidated some years ago. Judge Finch, now of the New York court of appeals, was attorney for the receiver. There was not enough money to pay all the liquidated claims.

Wanted Share in Assets

Some of those having surety bonds under which no claims had been incurred felt that they should have a share in the assets, and sued to obtain it. The court held that since there was no actual claim, but merely a contingency that might never become actual, such contingent claims should have no standing. Of course, if there had been more than enough assets to satisfy all the liquidated claims, the unliquidated claims would have been next in order of preference.

The claim of the life policyholders is

of course definite, namely, the reserve under their life insurance policies as provided in their contract. The claim of the disabled non-can policyholders is also definite. It is an obligation to go on paying the stated benefits so long as the policyholder remains alive and totally disabled. If the unimpaired non-can policyholders have any surrender value or cash value in their non-can policies, they would have a claim for that amount. However, none of the non-can policies has any such provision. Reserves were built up but they were not subject to withdrawal by the policyholders.

Heads Hall & Henshaw Department

T. B. Pendergast has joined the New York agency of Hall & Henshaw as head of the casualty department. He is an experienced underwriter and manager, formerly having been connected with Royal Indemnity, Indemnity of North America, Bankers Indemnity and Transportation Indemnity.

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Comments of J. M. Powell on Noncan A. & H. Cover

(CONTINUED FROM PAGE 29)

cepting life insurance, for the exact needs of the insured can never accurately be foreseen many years in advance. But that life insurance is performing a wonderful social service no one ever denies. Why then should we undertake to make disability insurance reach into the unknown to a degree that an error in judgment may destroy the protection of thousands of policyholders and cause them to lose the protection upon which they have had every right to rely?

"Experience has shown that less than one-half of one percent of all disabilities extend beyond one year in duration. It is true that this percentage is low because numerous short disabilities are included in these figures. Nevertheless, it does get down to the fact that relatively few bona fide disabilities last for more than one or two years. The more attractive that long-term coverage is made, the higher will this percentage be.

Life Company Experience

"The experience of life insurance companies in dealing with the disability feature providing life income must not be forgotten. For many years that experience appeared to be proving very satisfactory. Then came a turn for the worse. About 10 years ago, many of the leading actuaries and insurance executives pooled their experience and judgments in attempting to find a sound basis upon which such benefits could be issued. Yet the millions of dollars of losses continued to be experienced. As a result, nearly all the leading life insurance companies have definitely discontinued the issuance of lifetime disability income protection.

"It is not my purpose to question the method of operation of any other company, but it does appear that the practical answer to this social problem is to grant the coverage on the basis of a maximum liability, and as reliable experience accumulates, to extend that period rather than promise something the cost of which it is impossible to know at this time.

"Under a form of policy where the maximum liability of the company is definitely fixed, rates can be calculated with a remarkable degree of accuracy. Although the effect of the 'human equation' does exist, it exists in a relatively small degree. I agree heartily with Mr. Hirst that an insured should be able to secure coverage which will carry with it the right to rely upon that coverage in the future regardless of any unfavorable developments in that risk after the issuance of the policy. The real question is the degree to which this can safely be done without impairment to the rights of others."

Lorings on Arizona Jaunt

E. D. Loring, resident vice-president in Chicago of the American Automobile, will leave with his wife next week on a motor tour to Arizona, where he vacations every year at Soda Springs Ranch near Rim Rock. They will be away about four weeks. Mr. Loring, who came to this country from England in 1910, taught school for six months at White River, Ariz., then rode line fence for 20 months near Ft. Apache.

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912

Of The National Underwriter, published weekly at Chicago, Ill., for October 1, 1936.

State of Illinois ss.
County of Cook

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared John F. Wohlgenuth, who, having been duly sworn according to law, deposes and says that he is the Secretary of The National Underwriter Co., publishers of The National Underwriter, and that the following is, to the best of

his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.
Editor, C. M. Cartwright, Evanston, Ill.
Managing Editor, C. M. Cartwright, Evanston, Ill.
Business Manager, H. J. Burridge, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati.
E. J. Wohlgenuth, Cincinnati, Ohio.
C. M. Cartwright, Evanston, Ill.
H. J. Burridge, Hinsdale, Ill.
G. W. Wadsworth, Chicago, Ill.
John F. Wohlgenuth, Hinsdale, Ill.
R. E. Richman, Hartford, Conn.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)

None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is (This information is required from daily publications only.)

John F. Wohlgenuth,
Secretary The National Underwriter Co.,
publishers The National Underwriter.
Sworn to and subscribed before me this 30th day of September, 1936.
(Seal) John E. Berenschot.
(My commission expires Dec. 31, 1936.)

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